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MUNICIPALITIES SPENDING LESS TO LOWER TAXES

Private Enterprises Also Recognizing Value of Curtailment

BANKERS ON OUTLOOK

Important Statements on Business Situation at Annual Meetings of Canadian Banks

Reviews of the past year's financing point to the fact that a much smaller volume of financing was carried on by the municipalities and provinces during 1925, than for some years. Actual municipal borrowing dropped from $86,000,000 in 1924 to less than $50,000,000 last year. Government borrowings declined as well. Whether this apparent economy is real, or is due to direct borrowing from the banks may merit some consideration.

Two factors enter the situation. Improvements and new construction fell far behind during the war, and would seem to have just recently caught up on arrears. Expenditure for the past five or six years has been large, and many long delayed buildings and improvements have been attended to. It is only natural that this should now lag. But the other factor may have a very great significance as well. There can be no doubt but that the volume of spending has been cut down to some extent as a result of the rapidly rising taxes. In many parts of the country, municipal officials have shown a very decided determination to throw out all measures dealing with anything other than essentials. Four western cities and two western provinces have already shown a determination to reduce expenditures, and have succeeded in lowering taxes as a result. In general, per capita expenditures continue to decrease in western cities and to increase in the cities of Ontario and Quebec. Educational costs generally have continued to rise in eastern cities and have been checked or lessened in the West. Per capita expenditures on protection of persons and property have shown a decrease right across the country. There is no doubt about the attempts to economize. The question is whether or not this is the only factor.

At a time such as the present there is a natural and quite legitimate tendency on the part of the municipalities to borrow directly from the banks, rather than making flotations. There is always a certain volume of this type of borrowing, but the natural tendency is for it to increase when the funds of the banks are abundant and hence cheap. Whether or not there is any material increase in this at the present time can only be determined by the showing of the floating debts of the municipalities which are not yet complete for the year. The floating debt is usually for one of two purposes, in anticipation of taxes or to finance special construction activity. It provides a natural outlet for bank funds at a time when industrial activity is such as to create small demand for loans. At the present time, the bank statement shows loans to municipalities and to provinces of $88,000,000, a larger amount than normally. This would indicate an increase in this type of borrowing.

Assuming the change to be due to a combination of the two factors discussed, one naturally asks what is to be the outcome. Economies in expenpiture have already led to the lowering of taxes in certain cities, and lower taxes have already proven an incentive to business progress. There is little danger of progress being arrested through extreme measures of economy, in a country such as Canada. Benefit rather than disadvantage is almost certain to follow economies in public expenditure. With regard to the direct borrowing tendency, its volume is determined entirely by the abundance and price of money, and increasing industrial activity will determine the trend there.

Definite Turn is Made in Tide of Business

Various phases of improvement evident in Canadian business situation were dwelt upon by leaders in the banking world in connection with the annual meetings of the chartered banks. In his address to the shareholders of the Canadian Bank of Commerce, Sir John Aird made reference to the change resulting from the very satisfactory harvest, after the first half of the year had disappointed previous hopes for recovery. One specially interesting point brought out was the fact that the present generation of business men have been trained in a sellers' market and have to adapt themselves to-day to a buyers' market. "The financial consequences of the war are by no means over," said Sir John, "and the relation between consuming power and income at the present time is a very delicate one in the case of many. Not only is there a large body of consumers whose incomes have not been adjusted to the present level of prices and are unlikely to become so for

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King's Proposal Would Not Divorce Politics and Tariff

WASHINGTON.—The plan for a tariff commission outlined by Premier King for Canada does not appeal to those who understand the machinery of the United States Tariff Commission as one likely to succeed.

The U.S. Tariff Commission serves in the capacity of an expert adviser to the president and his cabinet. As understood here the Canadian commission would not be formed of experts but of representatives of various political and social factions. It would, they submit, not take the tariff out of politics but would merely put it into a political commission.

If Canada would take a leaf from the experience of the United States in regard to tariff matters, a commission would be appointed to carry on investigations and inquiries in various directions and to give the finance minister expert advice in the framing of his budget as to the effect which certain tariff proposals would have, the extent to which various industries are in need of protection, etc. But if the commission is made a political body it will merely mean that the fight of the tariff will break out in a new place.

ALBERTA COAL PLAN UP TO GOVERNMENT

Depends on the Railway Rate Established, Says Premier Brownlee

One of the big problems to which the Alberta government under the leadership of Premier Brownlee is giving its energetic attention is that of having Ontario get its coal supply from Western Canada. Mr. Brownlee's recent visit to Ottawa, Montreal and Toronto, had that purpose for its main object. He informed The Financial Post that negotiations were proceeding in a satisfactory way and that the outlook was that the plan would be tried out in a really practical way.

The matter lies largely in the hands of the Ottawa government as to what action shall be taken on the proposal to have the railways move coal on a cost basis. Mr. Brownlee explains that this would mean that the movement would be during the season when there is no grain being shipped and the cost would be on the basis of operating expenses. He instanced that this basis was already established by the precedent of the grain rate which recognized the importance of cheap transportation in the national interests.

The Alberta argument is that not only would it be good business for the West to develop the coal resources of the country, but that if millions now going to the United States for coal could be retained in Canada, it would mean that much additional buying power and an important factor in the consumption of Canadian products, and therefore prosperity in a broad way.

Arrangements have already been made for experimental shipments of Alberta coal to Ontario, but these in themselves will be of no real value unless they lead to business in a huge way.

Eaton's Not Buying Up Spencer Stores

A news item appeared recently to the effect that the T. Eaton Company had entered the commercial life of Vancouver by taking over the business of David Spencer Ltd.

The Financial Post spoke about it to an official of the T. Eaton Co., who stated there was nothing at all in the report.

Another report said the same company had purchased a building in Truro, N. S., and was going to manufacture boots and shoes. The same official of the company stated there was nothing in this either.

"Some people," he said, "would have us buying up the whole country, but there is nothing whatever in either of these two reports."

How West is Becoming Industrial Community

WINNIPEG.—During December further progress was made in the industrial development campaign being carried on. Financial and industrial men interested in the construction of a sugar beet factory, woollen mill and a factory for iron and steel, small ware were visitors to the city and definite announcements from them are expected at an early date.

Cost of Growing Wheat Found to be 95c. Bushel

WINNIPEG.—The cost of producing a bushel of wheat in Western Canada has been fixed by experts at 95c. per bushel on a yield of 17 bushels per acre during the 1925 season. Where the yield per acre was less, the cost per bushel was greater and where the yield was more than 17 bushels the cost per bushel was smaller. As the general average of yield was around 17 bushels the figure 95c. is a good average figure.

B. C. PACKER'S NEW CANNERY

VANCOUVER.—It is understood that the British Columbia Packers will erect a new cannery at Skidegate, in the Queen Charlotte Islands.

SOUTHERN CANADA POWER MAY NEED FURTHER PLANTS

Big Rayon Plant to Build in S. C. P. Territory, Absorbing Power Surplus

From Our Own Correspondent.

MONTREAL.—Canada's power resources are proving more and more attractive to U. S. industrials and The Financial Post learns that the latest American organization to consider Canada as a field for its endeavors is the American Cellulose and Chemical Company.

It is understood that this company is arranging to build a plant at Drummondville, P.Q., provided that prior to March 1, the town will have available 164 acres of land and can give an option on an additional 100 acres. Under the plan, the town is to purchase property and donate it to the new industry, as well as granting exemption from taxes.

This news is of special interest to investors in the Southern Canada Power Company which has been largely instrumental in bringing many industrial plants to the Eastern townships of Quebec.

Will Produce Rayon from Cotton

Probably, the Canadian company will be known as the Canadian Cellulose and Chemical Company. Its output will consist of rayon or artificial silk, which will be made from a cotton base. The parent U. S. concern is one of the larger operators in this business in the United States and is also part of an organization which operates in England and the continent.

The Financial Post understands that the parent company has already deposited $9,000,000 in the bank as a guarantee to Drummondville of the completion of the plant; subject only, of course, to the town being able to procure the acreage required. It is thought that this latter part of the plan is moving forward without difficulty.

Of the $9,000,000 of funds on deposit, $7,000,000 will be used for buildings and plant equipment, the balance will provide working capital and early operating expenses. The company also undertakes to employ a minimum of 2,500 employees within two years, and to increase this to 4,500 within five years. The advent of this company to Drummondville will require additional housing facilities for the plant's employees; this is to be handled by a Montreal firm which has undertaken the erection of 250 new houses. It is also said that a well known Montreal investment banker is associated with the project.

S.C.P. May Need a New Site

The proposal has a very direct bearing on the Southern Canada Power Company, as it is understood that, although the existing supply of power developed by the company will be adequate to provide power for the new industry, yet the increased demand will leave but a small surplus with which to meet further demands. The suggestion has been made that there be a new hydro electric development by the company at Spicer Falls, which is situated on the St. Francis River below the present Drummondville plant. The Spicer Falls site would be capable of producing an additional 70,000 horse power for the company.

Canada Needs an Election But Gets an Auction Sale

An auction sale!

Bidding for office—no matter what the price!

Is this what government in Canada has come to? That is certainly what Canada is getting—an auction sale when it needs an election.

Every few days we read or hear about the utter lack of leadership in Canadian public affairs. Every few days we are told that the government of the country is no better than the people themselves make it. Are these expressions really trite and commonplace? Have they been made so often that the words lack meaning? Surely we have not come to such a pass.

But after all is it not too true? Here we have in Canada to-day a situation of which everyone who thinks of and loves his country might well be ashamed. No country in the world is so well situated to stand out among the nations of the world as a model of vigor and enterprise and contentment. No country in the world is so well equipped to give the lead in eager earnestness on the part of its people to work and prosper. The very measure of our difficulties is our opportunities. It seems as though we have stopped thinking. Canadians are allowing their country to drift. Hard times have not taught us our lesson; diminishing population has not brought home to us the need of the hour. The dissipation of our wealth and vitality seems to mean nothing. What sterner lessons must we receive?

Every seeing eye in Canada is directed toward Ottawa. Every hour the inquiry is made, what will Ottawa do? What Ottawa will do is what Ottawa has so often done—follow the easiest line.

The government is in such a weak position that the speech from the throne on the opening of parliament was a re-distillation of election talk with a little more added for good measure to capture or hold Progressive support.

The amendment of the Conservative leader was a "no confidence" motion that merely started anew the old game of the "ins and outs."

The fourteen points presented by the Progressives as the price of their support are nothing but the selfish demands of a group of men who can think only in terms of a quarter section in Western Canada.

Instead of a policy from the leader of any one of the three groups that would inspire Canadians to work and as well to make Canada a country worth working for, each one in turn proposes something that will make the other fellow work.

Where is it all to end?

The answer seems to have been given by a cartoonist, who pictures a Progressive member approaching a small eating establishment. He scans two rival bills of fare, and extends himself with the remark: "I don't care where I eat, just so long as I eat." That is the measure of almost every member in the House of Commons to-day. Every one will see to it that the session lasts the minimum of fifty days required in order to qualify for the full indemnity of $4,000.

Fifty days at $4,000. $80 per day. Not a big price to pay for leaders, for executives. But a big price to pay for fiddlers. A big price to pay for fiddling when an election is needed to attempt the definite result the last election failed to give.

Economic Sense Essential to Exclusion of Politics

Sir Herbert Holt Says National Problem Cannot be Solved Otherwise — Tax Reductions Necessary to Bring Prosperity

MONTREAL.—With no desire to enter what he referred to as the somewhat barren field of political controversy, Sir Herbert Holt, at the annual meeting of the Royal Bank, expressed the conviction that unless economic sense is brought to bear on the situation to the exclusion of political considerations, no satisfactory solution of our difficulties can be found. Referring to the burden of taxation he said:

"There is no question that too large a percentage of our national income is being absorbed in taxation. The total gross production of Canada, agricultural and industrial, for the last year for which official statistics are available, was $4,485,487,785. The total net production was $2,728,906,285. During the same year, the total tax collected by the Dominion, provincial and municipal governments of Canada, amounted to $627,902,769, or almost one-quarter of the value of the net production. Reduced to agricultural terms, the amount of taxes required to support the federal, provincial, and local governments in 1923 was equal to nearly twice the value of our entire wheat crop of that year.

Relation to Other Countries

"It is the relation of taxation to national income which constitutes more nearly the real tax burden. The ratio of taxes to national income in other countries has fallen much more rapidly than in Canada during the past three years. I will give you the figures of Great Britain and the United States in comparison with our own, and you will note to what extent the burden of taxation has been relieved:

Ratio of Taxation to National Income

	Gt. Britain	U. S.	Canada
1921-22	27.5	16.7	19.8
1922-23	26.8	12.1	19.9
1923-24	22.9	11.6	19.7

"Taxation in this country has reached the point where it is retarding the growth of national wealth. The tax burden enters into and increases the cost of production, decreases demand, and, with it, profit and wages. Far more serious is overtaxation in its effects upon national development in the withdrawal of money from productive use, hampering expansion, discouraging enterprise, driving capital into government bonds and foreign securities and operating generally against productive industry in this country.

"The net debt of the Dominion, which has increased from $2,340,878,983 in 1921 to $2,431,487,112 on the 31st March last, is now more than seven times the pre-war figure, exclusive of the bonded obligations of the National Railways, amounting on the 31st December, 1924, to $913,913,092, two-thirds of which is directly guaranteed by the federal government. No one can regard this enormous expansion of public debt without grave misgiving. Interest charges alone constitute a great burden on productive enterprise. This cannot be materially reduced until the debt itself is reduced, and we need to adopt a consistent policy of debt reduction through the medium of sinking funds.

Less Capital Expenditure Needed

"The country is overburdened with government, and there is urgent need of administrative surgery to remove some of our present disabilities. Not only should the cost of government be reduced, but there must be a suspension of those unproductive capital expenditures, often of a political nature, which have in the past few years added so largely to

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Saskatchewan Progressives Propose Entering Federal Field

Evidence That the Political Truce With the Liberals is Ended Because of Dunning's Activity in Dominion Politics

REGINA.—Saskatchewan Progressives want a national Progressive convention called at an early date to perfect a Dominion-wide organization and to reaffirm the policies of the movement. Decision to this effect was made by resolution at the recent convention here, moved by C. E. Little, of Ogema, and supported by a vigorous speech from A. J. Lewis, former member for Swift Current. Mr. Lewis surveyed Dominion politcal conditions, declaring that there would be a good reception for such a movement in the Maritimes, where the people were dissatisfied with the policies of both old parties.

The resolution as originally presented referred to selection of a national leader, but this was deleted by the mover as being a possible reflection on Robert Forke. Mr. Lewis, in his speech, however, did discuss names, as possible men of national calibre, who would capture the imagination of the Dominion. He mentioned Sir Clifford Sifton, Andrew McMaster, and Ex-Premier Drury.

There has in Saskatchewan been a tacit understanding between the Progressives and the Liberals, who control the government, and the Progressive party as such has not entered into provincial elections. However, it is said that the basis of this neutrality has been that the Progressives would maintain their position of hands off in the provincial field so long as the Liberals took no active part in federal politics. Now it is declared that Premier Dunning employed the provincial political organization—and with good effect, to judge from the results—in the recent federal campaign.

Is There Need for Rural Credits Now?

One of the legislative promises contained in the speech from the throne at Ottawa is "a measure offering wide facilities for rural credits."

In considering this proposal, which in the "bidding" spirit in which everything has been put forward at Ottawa recently, seems to have been intended to influence the Progressive vote, the representatives of the people might well consider what experience with government loans has shown. There was, for instance, the seed grain loans made in 1915 and which ten years later are in a large measure still unpaid. There has also been the farm credit scheme of the Manitoba government which has just recently been shown to have suffered a loss of $700,000 on the $2,500,000 of loans outstanding. It has been shown that the money cost the government 10 per cent. and was loaned to the borrowers at 7 per cent., the 3 per cent. being borne by the general taxpayers. The Manitoba rural credit societies recently adopted a resolution urging the government to provide money at a lower rate of interest, but tabled resolutions calling for amortization and extensions of existing loans, and suggestions of a long term basis of loans.

Not only does the proposal being put forth at Ottawa indicate that the prospects of adding further to the burden of the taxpayers by this new paternalism have been ignored, but that parliament has not informed itself as to the changes which have taken place in the agricultural situation which have removed the need upon which the agitation for rural credits was based.

Ottawa is still concerned with an agitation started several years ago. This agitation carried forward by its own momentum has resulted in a definite proposal for farm credits. But the good crops in recent years have practically disposed of the need for paternalism. There is no evidence that farmers of Canada to-day are not being supplied with all the funds for their requirements so far as their assets reasonably warrant. To go further will only result in the government making unwarranted loans on which the ratio of losses must inevitably be high.

WAS BRAZILIAN RATE INCREASE NEWS DELAYED?

Chairman of the Montreal Stock Exchange Makes Inquiries

NOT UNUSUAL

But Action May Have Salutary Effect—Announcement Had Been Discounted by Market

From Our Own Correspondent.

MONTREAL.—At the meeting of the board of directors of the Brazilian Traction held on Monday of this week, it was decided to increase the dividend rate, but the news was not released for publication until Wednesday morning. This action has stirred the board of the Montreal Stock Exchange into action, for it is claimed, the company did not comply with the stock exchange rules by delaying the announcement.

The chairman of the executive of the Montreal Exchange exchanged telegrams with the head office of Brazilian Traction and rumor has it that the company's explanation did not prove satisfactory to the officers of the exchange here.

In the meantime individual investors are wondering just what this action means. One investor said to The Financial Post: "Why pick on Brazilian?" His attitude is easily explained. Although the rules of the exchange call for the publication of annual reports before the annual meetings, many corporations entirely ignore this regulation and at some meetings the bewildered shareholder sees for the first time his annual report while endeavoring to listen to the speeches of the president and general manager. When the time has arrived to ask questions, the shareholder is often too befuddled to open his mouth.

However, perhaps the action of the executive is merely the first step in a right and proper direction, that of insisting that those companies who have their shares listed conform to the requirements of the exchange.

Reason for the Delay

Following the meeting of the directors in Toronto, officers of the company pointed out that in view of the large holding of shares of this concern in London and on the continent it had been a regular policy to make the announcement of dividend declarations simultaneously in Brussels, London and Toronto and Montreal. It was not possible to make the announcement in the European centres before Wednesday, and accordingly Canadian shareholders would be kept in suspense until that time.

Increase Discounted

The action of the market on the announcement of the rate increase and since has indicated that the good news had been discounted in the recent heavy buying of the stock both in Canada and abroad.

Brazilian Traction has built up a very strong position during the past 10 years. A very large part of its earnings have been plowed back into plant. The organization has excellent prospects for earning at a much higher rate during the next few years than it has done in the past. The situation in 1925 has been rendered less favorable because of an unusually severe drought, which impeded industrial operations and made necessary the operation of a steam power plant in Sao Paulo. About one-quarter of the company's properties are located in the Province of Sao Paulo. The outlook in that territory is now much better. There has been quite a substantial improvement in milreis exchange. A very pertinent enquiry arises as to whether that appreciation can be maintained.

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The Trend of Business and Industry

Conducted by H. M. CAMERON, Statistical Editor, The Financial Post.

QUEBEC'S REVENUE FROM ALL SOURCES IS UP $70,000,000

Farmers' Recovery Key to Trade Betterment in Province

Business in the province of Québec is affected by two or three major movements the most important of which is the merging tendency especially evident among the wholesale houses. Some of the old established wholesalers, in business for half a century or more, have decided that the keenness of competition warrants their lowering overhead costs by amalgamation. Mergers of importance have taken place in the dry-goods, hardware and grocery lines, and, as a consequence, a greatly strengthened business front is presented by the new organizations. Generally speaking, 1925 ended very successfully in retail trade, after a prolonged period of backward business due to reduced buying power. This leaves the outlook healthier than it has been for years, with greater buying power and very limited supplies. The largest factor in the improvement noted above in business is the "break" in hard times for the farmers. Since the beginning of the depression unsatisfactory farming conditions have led to poor business especially in the rural parts. Nineteen-twenty-five has altered this situation radically. The farm revenue of the province was more than $257,302,000 last year, and this has enabled the farmer to pay his back obligations and work into a reasonably satisfactory position. Not only were the field crops gratifying, owing to high prices and to abundant yields, but the livestock situation has bettered itself very substantially. Higher prices, improved quality and re-awakened interest in the commercial classes of stock have changed the outlook. The livestock of the province brought in more than $18,400,000 in 1925 according to The Financial Post Survey, against $16,779,000 the year before.

Manufacturing Difficulties Still

In the field of manufacturing the situation is not quite so satisfactory, although conditions to-day are distinctly better than a year ago. It is encouraging to note that the shoe factories have some business ahead, and are generally in better position. The same is true of some other clothing lines. In the case of hardware and building products there is little increase, as yet, in demand. Winter building has not taken the hold in Quebec that it has in some other sections of the country. The total manufacturing revenue of the province is some $800,000,000, or more than three times the revenue from agriculture in all its branches. The manufacturing revenue, in fact, is approximately 70 per cent. of the country's total revenue, hence the importance to the province at large, of prosperity in the manufacturing industries.

Gross Revenue Moves Up

The gross revenue of the province, as estimated by The Financial Post Survey, was $1,320,000,000 last year, as against $1,250,000,000 the year before. This increase of nearly $70,000,000, although only a small percentage of the total, is sufficient to provide a real stimulant to business and industry. The people of the province are among the most thrifty in any part of the country. The population is over 2,500,000 and is increasing more rapidly, from the birth rate, than is any other section of Canada. The stability of rural Quebec is assured by the fact that more than 97 per cent. of the farms are occupied by the owner. The cities are growing rapidly as new manufacturing industries and power developments spring up. The former are encouraged by legislation directed to give private enterprise a fair deal.

A relatively new phase of progress in the province is the development of the new mining area near the Ontario border. Immensely rich ores are already proven to exist in large quantities in this area, and mining promises to become a much more important industry to the province.

Following is a statement of the gross revenue of the province for the past four years:

1922	$1,166,602,077
1923	1,239,158,892
1924	1,250,000,000
1925	1,320,000,000

Canadian Business Indicators

INDUSTRIAL

Car Loadings—

	1926	1925
Week Jan. 2	43,559	40,251+8.25%
Yr. to date	3,033,683	2,938,272+ 3.2%

Grain Receipts—

Aug. 1 to Dec. 18	256,591,089	167,461,616+53.3%

Building—

December	6,927,860	5,817,493+19.1%

Railway Earnings—

11 Months—

C. P. R.	$163,537,460	$166,811,984— 1.9%
Oper. Exp.	194,203,327	201,787,478— 3.7%
Net	35,327,983	33,497,940+ 5.4%
C. N. R.	221,119,532	216,271,446+ 2.2%
Oper. Exp.	104,203,327	201,787,478— 3.7%
Net	26,916,205	14,483,968+85.8%

Pig Iron Output—(tons)

10 months	446,973	547,486—18.4%

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Bank Clearings—

	1925	1924
December	$1,736,375,151	$1,893,831,086— 8.3%

Savings Deposits—Chart. Banks—

October	$1,277,588,281	$1,189,086,750+ 7.4%

Current Loans—By Banks—

October	$906,249,140	981,111,418— 7.6%

COMMERCIAL

Balance of Trade—

12 months, Nov. 30—	1925	1924
Exports	$1,219,861,088	$1,057,508,866+15.4%
Imports	874,295,547	812,854,157+ 7.5%
Balance	345,565,541	244,654,709+41.3%

Wheat, No. 1 Nor., Winnipeg—

1925	1924
Jan. 11, $1.55.	Jan. (Av.) $2.24

Cattle—(Good, Toronto)

Jan. 11 $8.50 — Jan. (Av.) $6.82

Hogs—Select, Toronto)

$12.50 — (Jan. Av.) $11.17

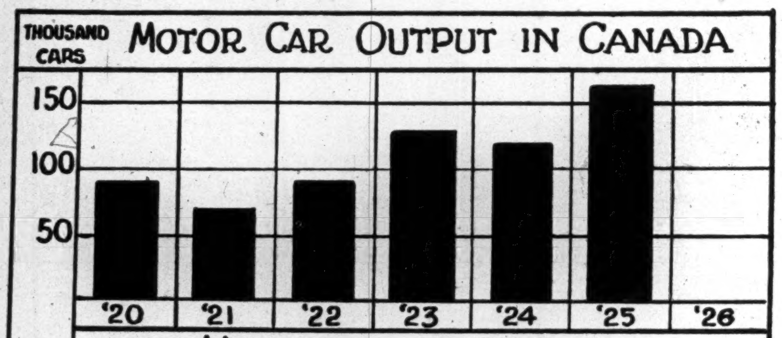
Western Provinces Would Control Sale of Securities

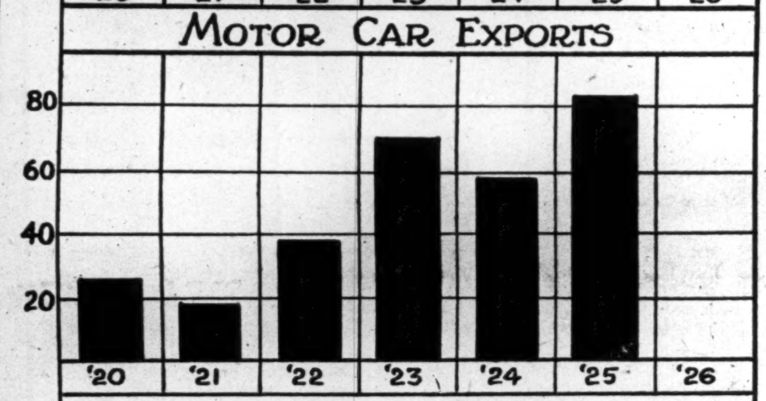
WINNIPEG.—Declaring that the situation in Alberta was acute, and that 80 per cent. of the companies now being formed there are incorporated under Dominion charters in order to escape having to comply with the provisions of the public utilities commission in regard to stock selling, Premier J. E. Brownlee stated, while in the city, that Alberta would strongly support any move by Manitoba to make all companies selling stock within provincial boundaries amenable to the provincial statutes. Saskatchewan is also supporting the proposed measure.

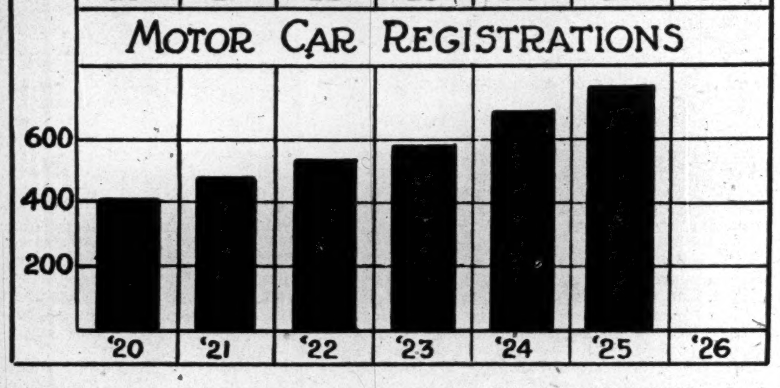
Greatest Demand on Record Faces Automotive Industry

Hundred Thousand Cars Will be Bought by Canadians in 1926 — Saturation Point Still Far Distant

That more motor cars are now produced in Canada each year than were produced during the twelve years ending 1916, and that more are now made daily than were made yearly about 1904-08, illustrate the amazing progress of this great Canadian industry. Last year's production figures are not yet quite complete, but it is clear that a record has been made. The 1923 output was 147,202. The 1925 output was at least 150,000. There are twelve important plants producing motor vehicles in Canada, employing more than 10,000 men and women on a payroll of nearly $15,000,000. The value of their products is $90,000,000. More motor vehicles are made in Canadian factories than are made in those of any other country with the exception of the United States.







The disposal of this huge output is not so great a problem as it would seem. Roughly speaking, we use half of these at home and export the balance. About 80,000 new cars were put into service in Canada last year out of a total registration of about 720,000. During 1923, the previous record year both in output and exports, Canada exported 69,920 motor vehicles. In 1924, 56,455 were shipped abroad. Last year the total was 57,881 and the value, $27,073,544. To make up the balance required for home use, a relatively small number are imported. In 1924 it was 11 per cent. of the total.

Home and Foreign Markets

That the saturation point in automobile consumption is still far in the distant future is seen from the absorptive power of the United States. There is one car to every six perso in the United States, and only one to fourteen in Canada. It has been estimated that 1,600,000 cars would be needed in Canada, instead of 720,000, to make them as common as they now are in the United States. The opportunity of purchase by instalment is increasing the use of the automobile very rapidly in both countries. So is the rapid extension of the hi way. Canada has only begun to open up her vast area to the motor car, and with the growth in concrete mileage, there is a correspond growth in cars. Also, the automobile is proving well able to serve through out the winter months despite the depth of the snow and the intensity of the cold in some sections. Last year nearly 50 per cent. of all motor cars in Canada were closed cars. The possible expansion of the industry in Canada is naturally much greater than in the United States.

Canada has important advantages also in the foreign markets. The restoration of the McKenna duties in the United Kingdom has been of very great and immediate advantage to the industry. The treaty recently ratified with Australia also opens up great possibilities. New Zealand is another country where the Canadian automobile has advantages over many of its competitors.

Automobile Prices Lower

In addition to the advantages received by the public through the ability to purchase motor cars on the instalment plan, there has been a steady price decline and at the present moment, several of the important manufacturers are dropping prices. The price to-day is materially lower than in 1913, although many of the materials cost more. While general commodity prices in Canada have risen to a new level between 50 and 60 per cent. above the 1913 level, the prices of motor cars, on the average, have declined nearly 20 per cent. This is attributed largely to the economies of mass production, and, of course, to competition. Consolidation has been taking place in this as in many other industries, and a number of the marginal producers have fallen out, so that there is less waste to-day in the process of manufacture.

What is the outlook for the automotive industry in Canada in 1926? The leading motor car manufacturers of the country are preparing for a demand larger than ever in the history of the country. The annual average increase since 1920 would bring the 1926 registrations up to 780,000, but the increase is geometric rather than arithmetic. Furthermore the position of business is better to-day than at any time since 1921, and the policy of instalment selling is just really well under way. All factor considered, it is not out of the way to expect registrations to exceed 800,000 this year, assuming the expected business improvement. There were some 90,000 cars bought in Canada this year, including home produced and imported cars. The figure should be well over 100,000 in 1926. The vast accumulation of savings in Canadian banks, in comparison with previ years, is a factor which will enter the situation.

The position of the automotive industry in Canada is illustrated by the following statistics:

	Plants	Capital	Pay Roll	Products
1921	14	$40,080,269	$7,887,173	$67,050,209
1922	15	47,761,964	11,273,643	81,956,429
1923	10	60,146,195	14,998,267	96,614,176
1924	12	60,766,886	14,219,137	88,480,418

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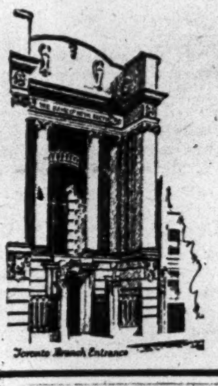

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BESCO IS UPHELD IN REPORT OF THE ROYAL COMMISSION

Wage Scale Fair; Mining Nor Management Costs Found Not Too High

CHANGES SUGGESTED

Living Conditions Should be Ameliorated, Not by Besco, But by the Province

From Our Own Correspondent.

MONTREAL.—The Royal Commission inquiring into the Besco coal field situation has submitted its report to the lieutenant-governor of Nova Scotia. The report vindicates the management of Besco and says that the corporation was amply justified in demanding a wage cut of 10 per cent. in 1924. Furthermore, the report says that even a larger reduction in wages than this would be justified, but it limits its recommendation to a 10 per cent. reduction on the 1924 wage scale, believing that the results of coal operations may prove better in the future than present figures would indicate.

With regard to the nebulous charges against the corporation concerning their methods of mining coal, the commission is of the opinion that the policy pursued by the operators in planning and developing their coal operations generally is sound and reflects much credit on their mining engineering department.

The corporation has been subject in the past to considerable criticism with regard to housing conditions, and the general amenities of the mining community, but the commission reports that the conditions which they found, particularly in Cape Breton, are a reflection, not upon the corporation or upon the men, but upon the town and the municipal authorities. In this connection, they recommended the discontinuance of Besco's staff of police and the safeguarding of local property by police provided by the local authorities. With regard to the housing problem, the commission felt that the double role of operator and landlord is an unfortunate one, and the corporation should dispose of its houses by sale on moderate terms as soon as it can find purchasers amongst its employees.

To Better Conditions in Field

For increasing the social well-being and bettering the general standard of living in the coal fields, the commission feels that the government, out of its income derived from royalties from the mines, should set aside a fund for this purpose.

The union has long demanded that the corporation deduct from the men's wages their union dues; this the corporation has been forced to do, but the commission feels that this, as it is called, "check-off" system is not good and should be discontinued.

Time and again the charge has been made that the corporation's costs are too high, but the commission found this to be untrue, and reports that transport charges by sea are just enough to cover the cost of operating Besco's ships, without setting aside adequate provision for depreciation. The charge has also been made that the corporation used one of its constituent companies, the Halifax Shipyards, as a means to reduce the earnings of the other constituent companies, but the commission finds that the prices charged for the repairs to Besco ships compare favorably with the prices charged for repairs to other steamers.

Cost of Coal Must be High

The commission found that the corporation's costs are necessarily high, but, at the same time, feels that the price of household coal at Halifax and elsewhere within the province is possibly too high.

Time and again the coal miners and many periodicals in Canada have pointed to the capital structure of the corporation, indicating that it was over-capitalized and that this was in a measure responsible for the low wages paid the miners; the commission again believes it worth while to point out what has frequently been expressed in these columns; that is, that, as no dividends have been paid on either the corporation's second preference or common shares since its incorporation, this question of capital structure has no bearing whatever on the wage scale paid the miners. The first preference stock of the corporation was only issued in exchange for preferred stocks outstanding in the constituent companies at the time the merger took place. In other words, the British Empire Steel Corporation has never paid a cent in dividends on any stock which was not outstanding at the time of its formation, and whatever the present capitalization—be it high or low—it has no bearing on the corporation's costs of production.

As To High Management Costs

The exact words of the commission regarding the oft-heard charge that the corporation's management costs are too high are interesting. The report says: "We ascertained that an overhaul has recently taken place in the corporation's administrative and management expenses, and it does not seem to us that these expenses, as they now stand, are excessive on the whole, whatever readjustments may be possible within the personnel." The commission does feel, however, that the bettering of conditions may be achieved through the appointment of a resident executive officer of Besco, whose technical training and mining experience should be such that he could be charged with, and be responsible for, the entire coal-mining policy of the corporation.

It was also recommended that every means possible should be taken to increase the demand and utilization of domestic fuel, including its use as coke. The means of furthering this desirable end have already been laid down in the report of the Dominion fuel board.

The royal commission was composed of Sir Andrew Rae Duncan, K.T., of England; Major Hume Cronyn, K.C., of London, Ont. and Rev. H. P. McPherson, president of St. Francois Xavier University, Antigonish, N. S. It was appointed on October 31, 1925, and had the assistance of William Armour, of the British Mines Department, as technical expert, and of Gordon W. Scott, of Montreal, of the firm of P. S. Ross and Son, as an accounting expert. Thomas J. Brown, Nova Scotia deputy minister of mines, was secretary.

Complicated Geological Problems of Southern Alberta Oil Drillers

Intensive Activity in Field and Fair Results Have Been Achieved to Date — List of Wells

CALGARY.—Oil production from Imperial Oil's Royalite well shows a steady monthly increase in production. Figures for the last six months total 85,515 barrels, which at a valuation of $6 a barrel would net $513,090. Production has steadily risen from 9,000 barrels last Jan. to 14,000 in June while the November output was 15,417. It is estimated that in eleven months the well has produced $783,000 in naphtha besides averaging 18,000,000 cubic feet of gas per day. Only recently did the company get its plant ready to treat this gas which it is now selling at 10c per 1,000 cubic feet.

Drilling of the past six months has shown the Turner field to be much vaster and more complicated from a geological point of view. This is due to the presence of many faults through the centre of the field. Experienced drillers say the field is the hardest drilling proposition on the continent. Despite this not a single operation has quit and all will continue right through the winter. Operations are going on with the greatest vigor.

Wells Being Drilled

Royalite well No. 4 got its flow of oil at 3,740 ft. Other wells stand as follows:

Vulcan, started June 15, 3,520 feet deep, struck light oil flow.

McLeod No. 2, started June 15, 3,050 feet deep, 550 feet oil in hole.

Royalite No. 5, 2,554 feet deep.

Royalite, No. 6, 2,413 feet deep.

Big Chief, 1,050 feet deep.

Illinois, A, 3,040 feet deep.

Advance, 3,160 feet deep.

Canada Southern, 2,510 feet deep, pumping 10-15 barrels daily.

Home Oil, start in spring.

Dallas Co., start in spring.

British Dominion, start in spring.

Old wells to be deepened by South Alberta oils merger, headed by Imperial Oil:

South Alberta, No. 1, 3,543 feet deep, produced 40,000 barrels, 30 daily.

Alberta South, No. 1, 3,160 feet deep, produced oil.

South Alberta No. 2, 3,760 feet deep, 15 barrels daily.

N. W. Pacific, 3,770 feet deep, good oil showing.

Western Pacific, 2,950 feet deep, produced 10 barrels daily for time.

The striking fact about all the old wells drilled in Turner Valley, following the oil strike in the old Dingman well, now the Royalite No. 1, says Chester Bloom in Calgary Herald, is that none of them were drilled sufficiently deep to get the big producing horizon struck by the Royalite No. 4. The drillers expected to find oil in quantity in the Dakota formation at anywhere from 2,000 to 2,500 feet. Few of them had adequate equipment to go deeper, and in 1914 there was little knowledge of deep drilling, which is a development of the last decade. Further, few had the necessary experience, and the result was disappointment for the companies actually drilling, which takes no account of the hundreds of fly-by-night promoters who had no intention of drilling at all. The present development is on an entirely different basis, not only of drilling, but also of financing.

Geology Revealed

Drilling of the Royalite well not only revealed a more complicated fault condition but also that the Dakota formation apparently is not wholly comparable to the so-called Dakota in other western oil fields and does not carry a true Dakota conglomerate, also that the limestone formation in which the Royalite No. 4 struck the great production of naptha and gas is not comparable to the limestone in the fields south of the border, the Kevin-Sunburst field, for instance, in Montana, but it is apparently a different dolomitic limestone with much greater capacity for containing oil.

The main Turner Valley anticlinal uplift as far as it has been definitely traced, is about nine miles long from the point where the old Record or Tongue Creek well was drilled near the lower end of section 9, township 19, range 2, west of the fifth meridian, to the point where it disappears in the northwest corner of section 23, township, 20, range 3, west of the 5th meridian. For reasonable drilling purposes, it is less than a mile in width so that it is a long, narrow fold.

Must Go Deeper

The sides or flanks on the anticline dip very steeply from 45 to 50 degrees, generally speaking, downward below the level floor of the valley. It is for this reason that going either east or west from the very centre of the fold along the level surface of the valley, it is necessary to drill virtually a foot deeper for each foot east or west of the central line.

From the highest point, the hump or saddle about in the centre near the location of the Royalite No. 4, the anticline pitches downward below the level surface of the valley at a fairly low angle as it goes northwest. That is, wells drilled northwest from No. 4 must inevitably go deeper the farther northwest they are, even though they should be at the same relative distance east or west of the centre line of the anticlinal uplift.

Going southeast from No. 1, south of Sheep Creek, the angle of pitch increases greatly so that wells drilled on the line southeast from the No. 1 apparently must go considerably deeper than those drilled relatively the same distance northwest along the fold from No. 4.

While these angles of dip and pitch are fairly easily ascertainable by the geologists, the question of the faulting is much more difficult and actually is only to be ascertained by drilling. There is, of course, the possibility that thrust faults may alter the position of the crest in any part of Turner Valley and this is another reason why for future guidance operators must be dependent upon the actual results obtained from drilling wells.

Big Commercial Oil Field in Alberta is Yet to be Located

Premier Brownlee, on the occasion of his recent visit to Toronto, was asked by The Financial Post as to the government view of the hunt for oil in Southern Alberta.

He said that the government was satisfied that there is a big oil field somewhere in Alberta, but that it has not yet been found. The naphtha being produced by Royalite No. 4 is too high quality to be a large commercial field, in the opinion of experts. Wainwright oils are the contrary, too low grade.

Royalite No. 4 produces 73 gravity naphtha, which is about 13 points lighter than ordinary motor car gasoline. Other oils are not quite up to this quality, but are high.

Cronyn Warns Dominion; N.S. Situation Dangerous

Bettered Coal Mining Conditions in East Must Receive Consideration From Other Provinces—Warns Against a Serious Estrangement Unless Whole Country Acts

From Our Own Correspondent.

MONTREAL.—In an addendum to the Royal Commission's report on the coal industry in Nova Scotia, Major Hume Cronyn has some significant things to say in connection with further protection to, or subsidizing of, our coal mining industry, which would allow Besco a larger market in the valley of the St. Lawrence River.

Major Cronyn admits that legislation of this sort would entail sacrifices on the part of Quebec and Ontario but, at the same time, says: "If, then, we of the central provinces are unwilling to sacrifice something of our prosperity on the altar of common citizenship, to aid, perhaps, indeed, to save, the main industry of Nova Scotia, we may witness an estrangement of far-reaching consequences.

"For, it is not exaggerating the situation to say that the inhabitants of the Maritime Provinces are in a frame of mind that insists upon relief from the disadvantages under which they labor.

"My appeal, then, to my friends (if I may so term them) of Quebec and Ontario, and through them to the Parliament of Canada, is on the highest ground of national unity. Let us, overlooking the pecuniary sacrifices involved, take the necessary measures to safeguard the welfare of our brothers by the sea."

U.S. Competition Brings Unemployment

Major Cronyn says that the chief reason for the unemployment in Nova Scotia is due to the inability of Nova Scotia coals to compete in the St. Lawrence market with those imported from the United States.

The lower cost of American coals is due to many economies possible there. These may be summed up under three heads; firstly, the ease with which the coal in the mine is conveyed to the pit mouth; secondly, the absence of gas and the benefit accruing from natural drainage, and, thirdly, the many economies possible due to the fact that submarine mining is unknown.

The addendum points out that more than one-fifth of the population of the province of Nova Scotia is directly dependent upon its coal industry and the subsidiaries thereof, and over 12 per cent. of the revenues of the province are derived from the royalties paid by the coal mines. Should Canada not safeguard its coal industry in the east, says Major Cronyn, there are two consequences which might follow of intimate concern to Central Canada. The first is the already mentioned estrangement between the east and the central provinces, and the second is the fact that, due to the depletion of the anthracite fields in the United States, Canada may shortly expect—within the next few years—that the United States will place an embargo upon its anthracite coal. Thus, Central Canada will be deprived of one of its most-used fuels and, at the same time, will have allowed a native industry, which could have produced the Canadian coke necessary to supplant anthracite, to languish.

The addendum is signed by Hume Cronyn but his colleagues on the commission concurred in allowing him to express the foregoing personal opinion as an addendum to their report.

"Five steps," says Major Cronyn "are needed to safeguard this industry. They are as follows:

"First—Federal assistance towards the establishment of coking ovens. This remedy has been fully discussed in section thirty-six of our report and need not be further elaborated.

"Second—A substantial increase in the import duty on all bituminous coal and anthracite screenings; or, in the alternative a federal bounty on coal shipped from the Maritimes to Montreal or beyond, and on coal shipped from Alberta or British Columbia to Winnipeg or eastward.

"Third—Imposition of duty upon coal imported for steel making and metallurgical processes, or for the production of coke.

"Fourth—The negotiations of a treaty with the United States providing for the abolition of duties on coal by both that country and Canada.

"Fifth—The extension in application, amount and duration of the subvention granted in 1924, whereby the cost of transportation by rail of Maritime and Western coals may be lessened.

"As already stated, the establishment of by-product coking plants and the imposition of a higher duty on importations of bituminous coal, or federal assistance by way of bounties, appeal to me as the best methods of aiding native industries handicapped by conditions imposed by their nature and geographical position."

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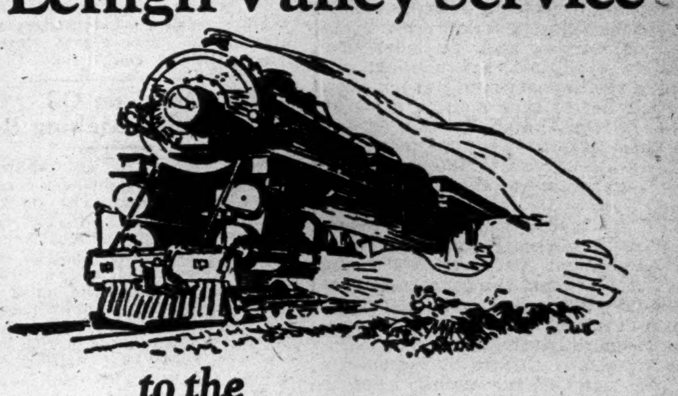
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The Securities Markets

UPWARD TREND IN THE MARKET NOW BEING CONTINUED

But Conservative Investors Are Inclined to Take Profits

Market Indicator
20 Industrial Stocks

	High	Low
Week of Jan. 13	86.2	83.4
Week of Jan. 5	87.2	86.0
Mth. of Jan., 1925	74.3	68.9

Despite some evidences of profit-taking which have been recurrently noted, the upward movement in the market, which was resumed after the turn of the year and was carried forward on the wave of investment buying resulting from the distribution of dividends and bond interest, has been continued. A number of the market leaders have gone to new high price levels. The situation now indicates that there has been considerable speculation and that conservative investors are changing from the common stocks, which have shared in the rise, to dividend paying preferreds and bonds. At the same time there is no indication that the end of the advance is definitely in sight. Further improvement in the general business situation is reported and the outlook is well regarded. Funds are in plentiful demand at reasonable rates and there should be no check to sound business expansion in that connection. The immediate influence of importance appears to be the American market. Should there be a break there it would undoubtedly affect the prices of Canadian securities but the new year has not brought the realizing in Wall Street which was predicted in some quarters and, although the level of the market is high and speculation has undoubtedly been rampant in some of the groups, there is no real indication that the end of the bull market is yet at hand. Opinions differ as to whether the present wave of speculation will continue until a situation is reached which will bring on a violent and general decline or whether the effect of the advance in the Federal Reserve rate and other steps to check inflation will have the effect of applying the brakes thus bringing about another of the readjustments which have been in evidence from time to time throughout the bull market, to be followed by another stage of the advance movement later in the year.

However, even though the Canadian market may closely follow New York it does not follow that the underlying business conditions are similar. In Canada the improvement has not been so rapid nor of such long duration as it has in the United States. American business leaders are carefully watching the credit situation for evidences of strain but there appears to be no reason to anticipate a drying up of the money supply in Canada. Investment houses report that funds for investment purposes are being freely offered and the bank statement indicates that there is plenty of money available for sound industrial and commercial ventures. This situation is also confirmed by statements by the heads of the banks. Then in the United States there is some doubt about the credit situation from the standpoint of the wide adoption of the part-payment plan which has created a cycle of credit not fully recorded in the national banking statistics but in Canada it is felt by the bankers that this instalment-selling has been kept well in hand and does not present any serious dangers.

A summary of the week's trading on the Canadian exchanges indicates that 45 stocks scored advances as against 38 showing declines. The banks, textiles and food industries groups gave the best accounts of themselves.

	Gains	Loss	Unch.	Ttl.
Banks	5	1	3	9
Paper	3	7	4	14
Steel	4	3	10	17
Foodstuffs	11	9	8	28
Utilities	8	3	6	17
Tractions	2	5	5	12
Textiles	5	1	4	10
Industrials	7	9	14	30
Total	45	38	54	137

The bank group, Dominion, Nova Scotia and Toronto made good gains and a number of the others also sold higher.

In the paper group losses predominated but Wayagamack with an advance of nearly 10 points was an outstanding exception. Price Brothers was also strong but the majority of the others sold off although none of the losses were very important.

The steels showed about an equal number of advances and declines, but only comparatively few of the stocks in the group were dealt in. British Empire shares were strong on the publication of the report of the Duncan inquiry. Canadian Car preferred advanced several points following the publication of news regarding business secured. General Electric preferred advanced a point. Steel of Canada was off a point or so.

In the milling and foodstuffs group there was general strength displayed. Canada Bread, City Dairy and Dominion Stores preferred were among the issues selling higher. Atlantic Sugar was weak. Canadian Bakeries sold off a point and Western Grocers suffered a rather drastic decline on the announcement of a re-organization of the capitalization.

Advances were general in the utilities group. Consumers Gas again provided leadership. Quebec Power, Southern Canada Power and Shawinigan were other leaders. In the tractions the changes were not important. Brazilian occupied the bulk of the trading interest.

In textiles the advances were general but mostly of small proportions, and in the general industrial group the changes were, likewise, comparatively unimportant.

Dairy Companies Next To Be Consolidated

From Our Own Correspondent.

MONTREAL.—Although no official announcement has been made, it is understood that plans are under way leading to the consolidation of a number of the large dairy companies in Canada. Under the plan, a holding company would be formed to acquire the securities of the various constituent companies which are understood to include concerns in many of the principal centres throughout the Dominion.

If the project goes through, it would include plants for the manufacture of the glass bottles, wooden cases and possibly one or more plants closely connected with the dairy trade.

British American Oil Still Making Records

British American Oil shares have made almost daily advances recently into new high ground. The stock is now on a 10 per cent. basis, but followers of this company's affairs are moderately confident that larger disbursements will be voted by the directors in due time. That is the interpretation placed on the situation by those investors who are unable to account otherwise for the latest advance in the price. It is noticeable that British American Oil shares have become increasingly scarce as the market has moved higher.

This company does not publish its earnings. It is an open secret, however, that operating results were much better in 1925 than in any previous year in the company's history.

National Cement Co. Enters Production

From Our Own Correspondent.

MONTREAL.—The first kiln of the National Cement Co. was put into operation at the beginning of this month and the company is now producing cement. The company's plant has three kilns with a rated daily capacity of 1,000 barrels each. The second kiln will be put into operation in February, and the third in March or April. In the meantime the company has orders on its books for over 100,000 barrels of cement for delivery in March and April. It will be recalled that quarrying and crushing operations began at the end of November and during December the finishing touches were made to the machinery, blending silos and kilns. During this period, a reserve of crushed and blended stone was built up.

CANADIAN PACIFIC RAILWAY

Week end.	1924	1925	Change
Jan. 7	$2,973,000	$2,492,000	+$481,000

CANADIAN NATIONAL RAILWAYS

Week end.	1924	1925	Change
Jan. 7	$3,970,396	$3,593,126	+$377,770

STERLING APPRAISAL REPORTS
CERTIFIED by REGISTERED PROFESSIONAL ENGINEERS
Sterling Appraisal Co. Limited
9-11 E. Wellington St., Toronto

OWEN SOUND LOAN COMPANIES MERGED

Owen Sound Loan and the Grey and Bruce Loan Will in Future be One

OWEN SOUND. — The announcement is made of the amalgamation of two of Owen Sound's oldest institutions, the Grey and Bruce Loan Co. and the Owen Sound Loan and Savings Co.

Negotiations had been in progress for some time. The affairs of both concerns were in first-class condition. Shareholders of both companies are to be asked to ratify the agreement at meetings on February 15. The new company will be known as the Grey and Bruce Trust and Savings Co. The combined capital at the time of the amalgamation will be about $550,000, with a reserve fund in the neighborhood of $70,000. The total combined assets will be $1,250,000 and the amount of cash or high-class securities immediately available will be about $300,000.

The provisional directors of the newly formed company are Messrs. Robert Wightman, John Parker, George S. Kilburn, Michael Forhan, C. A. Fleming, James Gardner, W. H. Taylor, Dr. W. G. Dow, W. S. Middlebro, K.C.; J. C. Kennedy, Frank H. Kilbourn, all of Owen Sound, and William Gardner, of Meaford.

Following is a summary of the financial position of the two companies as shown in their reports of a year ago:

	Grey and Bruce	Owen Sound Loan
Cash	$ 1,764	$ 3,319
Premises	22,450	16,671
Rents accru'd	143	43
Mort. & Int.	673,671	177,251
Loans on stocks, etc.	46,141	9,655
Dom. bonds	117,323	21,393
Prov. Bonds	26,867	......
Other bonds, etc.	14,604	333
Furniture	2,963	1,197
Real estate	20,000	......
Bal. at bank	29,261	......
Books, etc.	......	350
	$955,187	$230,193
Capital	$443,380	$129,464

Crow's Nest Coal Outlook is Much Brighter Now

Crow's Nest Pass Coal shares have been under accumulation of late around 49 to 51. This pays 6 per cent. on $100 par or about 12 per cent. The company had a better year in 1925, there being no serious interruptions, such as labor troubles which in previous years have been almost an annual event. The outlook is that much better feeling exists among the workers, who broke from the union and negotiated their own wage agreement. Besides the company has been able to win back the bulk of its lost markets, especially with the railways, so that there is now looming the possibility of steady, all-year profitable operation.

Building Products Shares Now Listed in Toronto

The new 7 per cent. cumulative preferred stock of Building Products, Ltd., was formally called for trading on the Toronto Stock Exchange this week. The 7 per cent. cumulative preferred stock of Bird & Son, Ltd., which was listed on the Toronto Exchange, has been withdrawn. Building Products, Ltd., is the recently organized company which took over the business of Bird & Son, Ltd., and the Ruberoid Co., the amalgamation dating from Jan. 1, 1926. Shareholders of the merging companies changed their shares for an equal amount of the stock of the new company.

Asbestos Issues Command Higher Prices on Market

Asbestos Corporation 5's have moved up sharply to 96.14. These are convertible into first mortgage 6's of the merger.

The preferred stock, selling at 116 (ex-dividend) affords the market something of a puzzle which could perhaps be more readily solved if the new general mortgage bonds of the merger had been included in the unlisted department for trading on "when, as and if" issued basis, as have been the new preferred and common stocks of the amalgamation. The preferred shareholders are to receive for each share held: $100 in 6 per cent. general mortgage bonds, one-fifth of a share of new preferred and one share of common. The new preferred is changing hands at 69 and the common at 24 in the unlisted market. Nominal quotations on the new general mortgage bonds are 82 to 85. This would indicate a value of 120 to 123 for the preferred stock.

OTTAWA AND TEXTILES

Dominion Textile drew close to the 1925, pre-election, high mark this week, selling up to 94. Opinion on the street is that the present move is fostered by the political possibilities at Ottawa.

Public Utilities

FORD'S PROPHECY IS DESCRIBED AS AN IDLE DREAM

Principles of Fuel Economy Point to Use of Gas in Heating Homes

NEW YORK. — In an exclusive statement issued through the American Gas Association, R. M. Searle, president of the Rochester Gas and Electric Corporation, takes issue with the recent prediction of Henry Ford that the American home of the future would be heated by electricity.

Mr. Searle believes that gas is the ideal fuel for this purpose, and bases his opinion on many years of experience in the manufacture and distribution of both products. He says:

"Electric house heating is not practical under our present conditions of generation and distribution of electricity.

"It is a very good power plant which will deliver to the switchboard one kilowatt-hour for 18,000 heat units consumed under the boilers. One kilowatt-hour can deliver, if we allow for no transmission and conversion losses, but 3,415 heat units. This is only 19 per cent. of the available energy in the coal which is consumed. From the standpoint of the conservation of the nation's resources, then, house heating by electricity would seem to be a great extravagance.

"There is no doubt that future technical developments, such as the mercury turbine, extra high pressure boilers and prime movers, etc., will reduce the energy units required for the generation of a kilowatt-hour by a very considerable amount. It is hard to believe, however, with out present knowledge of what the future seems to hold in store, that this will ever be reduced to the point where the use of electricity for an application which does not require very exact regulation will be justified.

"It will be useful to compare the cost of heat delivered to a residence under conditions which exist at the present time from the various sources available. With anthracite coal at $15 per ton burned in the ordinary house heating furnace, one cent will purchase between 8,000 and 9,999 useful heat units. With gas at $1 per thousand cubic feet, one cent's worth of gas will deliver between 4,000 and 5,000 heat units. If electrical energy could be delivered for one and a half cents per kilowatt-hour, one cent would deliver, assuming a hundred per cent. efficiency of utilization, only 2,300 heat units."

Winnipeg Electric Income is Highest in Four Years

WINNIPEG.—An automatic extension of the franchise of the Winnipeg Electric Railway for street car service in the city, in accordance with the franchise agreement, now seems to be the likely development of the negotiations between the company and the city council. There appears to be a growing feeling that under the present conditions it would not be good business for the city to undertake the addition to the municipal debt which would be involved. The Manitoba Free Press states that evidently this feeling is gaining ground in municipal circles. There is little indication of starting the steps which would be necessary to taking advantage of the city's purchase privilege under the franchise. The company has put a price of $13,000,000 on the property.

The purchase of the tramway property by the city may or may not go through, but the fact of most importance to the shareholders is that present earnings derived from the street railway section of the company's property are higher than for the past four years. The earnings of the tramway companies all over the continent have been on the upgrade; should the company retain the property, developments in the West indicate that the growth of the street railway earnings will be continued.

The stock has recently been selling around 48, compared with 37 a year ago, and a high in 1925 of 53 in August.

International Utilities Has Increased Earnings

A combined statement of the earnings of the various subsidiaries of the International Utilities Corporation for ten months ended Oct. 31 reveals impressive growth. Net, after interest charges, totalled $1,146,496, an increase over the corresponding period in 1924 of $446,039, or over 63 per cent. The International Utilities Corporation has outstanding 25,000 shares of 7 per cent. preferred stock and 133,762 shares of Class "A" stock, paying dividends of $3.50 per share per annum, or equal to $553,000. Thus, the dividend requirements have been earned twice over. Net earnings in October were $206,947, against $141,994 in October, 1924.

Contains Advice Offered Mt. Royal Shareholders by Investment Houses

MONTREAL.—A second letter has been forwarded to the shareholders of the Mount Royal Hotel Company by W. A. McKenzie and Company, of Toronto, in which this investment firm again advises the shareholders against accepting the exchange of securities which is to be offered them at the special general meeting to be held January 25.

The letter points out that the business of the hotel is improving, and, with the improvement in general conditions, indications point to more satisfactory results in the future. It refers also to the system of bookkeeping in use by the hotel whereby interest, depreciation, and other items, are charged against operations every month. The letter indicates that the company really made a profit in the first five months of 1925, instead of a loss as claimed by the directors, and that the amount needed to meet interest and tax payments in the spring had been set aside for these purposes.

Other objections raised in the letter against the directors' plan include: that the securities offered are an inadequate exchange for the preferred stock; that the plan would involve a cancellation of one-half of the dividend arrears; that it would involve the reduction of the interest return from 8 to 6 per cent. and cancel also the voting right now enjoyed by the preferred shareholders.

On the Other Hand

Taking the opposite viewpoint, Cooper and Mackenzie have issued a circular declaring: "That it is in the best interests of the preferred shareholders that these proposals be accepted and endorsed by them at this time, immediately placing the finances of the company upon a much firmer basis and considerably improving the prospects for more profitable operation in the future." The following advances are pointed out:

1. An immediate cash dividend of 2 per cent.
2. An immediate assurance of regular fixed interest payments, as against a problematical return at uncertain date.
3. A vast improvement in the class of securities held.
4. An immediate increase in the sale value of these securities.
5. Readier marketability, and much more stable values.
6. A material increase in the value of the common stock held by preferred shareholders, as an offset against any seeming loss incurred by the present proposed plan of exchange.

A letter accompanying the letter says: In addition to the information in the circular, we believe that the new securities will sell at from 15 per cent. to 20 per cent. higher than the present preferred stock, in which case it will more than make up any loss in interest or accumulated dividends that the present shareholders might lose as the result of the reorganization.

Toronto Rails Win Battle With City Over Interest

Toronto lost its fight with Toronto Railway as to the interest on the sum of $500,000 paid into court at the time the city took over the railway. The court paid under 2 per cent. The company held the city liable for the difference between this and the Privy Council 5 per cent. award, or $53,900. The city would not pay the money to the railway, so paid it into the court. The money bore no interest the first six months and 2 per cent. therafter. It was of no practical value to the company, the court has held, and lacking a definite statement of the purpose of such a payment, considered that it must have been intended to be in the nature of a security for the carrying out of the award. An appeal on the part of the city to the Privy Council is likely.

GAS MEN PREPARE FOR RECORD YEAR

New Uses for Gaseous Fuel Require Financing on Large Scale in 1926

NEW YORK.—New high levels for gas consumption as the result of intensive cultivation of the industrial and domestic field and the application of manufactured gas to new uses is predicted by H. C. Abell, president of the American Gas Association. He said:

"During the next ten years it is most conservatively estimated on a record of past demands that the gas industry of America will require two billion dollars of new money.

"The high favor in which the securities of gas companies are held by the investing public is one of the most important developments of the past year and holds out great promise for the future. In the entire North American territory at this time the number of receiverships in the manufactured gas industry does not exceed four, involving a total capitalization of only $558,600 and only 3,232 meters.

"In the education of employees and customers to substantial ownership in American property, the gas industry has done its full share. The report of our customer ownership committee shows an increase in sales of stock by gas companies during the year of 32 per cent. over the preceding year, while the number of purchasers increased 85 per cent. The readiness with which employees and customers of gas companies have invested in these securities indicates confidence in their essential value and safety, and form a valuable contribution to mutual goodwill.

"Our relations with the public, regulatory bodies, governmental departments, and our customers, leave little to be desired. We face the new year in a spirit of confidence."

Dominion Power Has Big Plans for Hamilton

HAMILTON.—The Cataract Power Co. will undertake the burying of its overhead wires as soon as it is financially possible. The company will not obligate itself to further expenditures pending an agreement being reached with the city regarding the street railway.

Company officials made it plain that the cost of removing the overhead wires is a mere financial bagatelle compared with what it is proposed to spend as soon as the street railway agreement is settled.

B.C. Electric May Buy Nanaimo Light & Power

VANCOUVER. — The way has been opened for the resumption of negotiations for the extension of an electric power line up-island by the B. C. Electric Co. Nanaimo city council has declined to take over the plant of the Nanaimo Light & Power Co. Local negotiations had been holding up the more extensive scheme, because as long as there was a possibility of Nanaimo city taking over the Nanaimo Power Company's plant, the company, with whom the B. C. E. R. Company had been previously negotiating for the purchase of power in bulk, would not further consider the matter. Now the B. C. E. R. Company has resumed negotiations with the Nanaimo Company, upon whose acceptance the establishment of the power line depends.

Quebec Power Leads Advance Power Stocks

MONTREAL.—The very strong movement of Quebec Power, which, following recent substantial advances, established the new high for all time of 123 (ex-dividend), seems to have provided the spark which again set alight interest in power stocks generally. Southern Canada Power also jumped 3 points to 90, a new high level. Montreal Power was one of the most active stocks, and advanced two points to 217, while in the unlisted department, Manitoba Power rose 3½ points to 29.

The move of these stocks calls attention anew to the Canadian hydro electric power field which, experts agree, is destined for unprecedented strides in the next few years. Something of the possibilities of such stocks has been shown by movements of similar issues at New York in the past year.

POWER CORPORATION LISTED

MONTREAL. — The application has been made to list 100,000 shares of no par value of the Power Corporation of Canada on the unlisted department of the Montreal Stock Exchange. The stock is at present changing hands on the street between 24-26.

Public Utility Earnings

NORTHERN MEXICO POWER

November	1924	1925	Incr.	Per C't.
Gross	69,874	95,769	25,895	37.06
Net	53,185	76,081	22,895	43.04
Eleven Months—				
Gross	654,834	943,052	288,218	44.01
Net	486,316	731,817	245,500	50.48

JAMAICA PUBLIC SERVICE COMPANY

November—	1925	1924
Gross Earn.	$53,966	$48,372
Net Earn.	23,722	16,330
Surp. after Charges	17,413	9,699
12 Mos. end. Nov. 30	1925	1924
Gross Earn.	$619,080	$577,179
Net Earn.	227,886	187,125
Surp. after Chgs.	148,243	110,582

BRAZILIAN TRACTION

November	1925	1924	Incr.
Gross Earn.	$2,911,695	$2,346,029	$565,667
Oper. Exp.	1,357,657	930,200	427,457
Net Earn.	1,554,038	1,415,829	138,209
Aggr. Gross from Jan. 1st	28,132,509	24,493,452	3,639,057
Aggr. Net from Jan. 1st	15,774,988	15,239,942	535,046

INVEST IN A GROWING INDUSTRY
Southern Canada Power
5% Bonds
Due 1955
Serving over 70 cities and towns in that part of the Province of Quebec lying between the St. Lawrence River and the International Boundary, this hydro-electric Company is almost ideal in its location. It has shown for years consistent growth in earnings, in number of customers served and in number of shareholders.
Price to yield about 5.20%
443
NESBITT, THOMSON and Company, Limited
305-7 Bank of Hamilton Building
TORONTO
Montreal Hamilton Winnipeg

New York Stocks and Grain Futures
Our direct private wire connections enable us to offer prompt and efficient service in the execution of orders on The New York Stock Exchange, The Chicago Board of Trade and Winnipeg Grain Exchange.
Splendid Board Room and Ticker Service—Conveniently Located on the Main Rotunda Floor, King Edward Hotel, Toronto.
Telephones Main 6304-5-6.
F. C. Sutherland & Co. Limited
Members Chicago Board of Trade.
King Edward Hotel Bldg., TORONTO.

QUEBEC SOUTHERN POWER
6½% Bonds
Due May 1st, 1945
¶ This Corporation is building up a large business in growing districts contiguous to Montreal and we believe the territory now served and to be served assures a prosperous future.
¶ We advise your immediate order and shall gladly furnish full particulars upon request.
Price:
100 and interest to yield 6½%.
Bonus of 2 shares Common stock with each $1,000 of Bonds.
Browne, Urquhart & Co. Limited
180 St. James St. Montreal
Tel. Main 8011*

WEST GOING IN FOR SUGAR BEETS

BRANDON.—Tests conducted at the Manitoba Agricultural College and at the plant of the American Beet Sugar Company, at Grand Forks, N. D., of the sugar beets grown in the vicinity of this city in 1925, have shown favorable results. A larger programme in beet testing will be carried out in 1926 by the Brandon Board of Trade in conjunction with the Horticultural Society and from fifty to one hundred plots will be set out throughout the district.

UNLISTED SECURITIES

Industrials, Utilities, etc.—

	Bid	Asked
Brooks Steamer (1 pref, 2 com)	4	6
Can. Machinery, com	4	6
Can. Machinery, pref.	13½	17
Can. Westinghouse, com.	154	157
Cockshutt Plow, pref.	61	63
Cosgrave Brewery	3½	4½
Dom. Combing (1 pref, 2 com.)	30	..
Dom. Power, pref.	93	95
English Electric, com.	13½	15½
English Electric, pref.	58	60
Gunns, Ltd., pref.	39	41
Godfredson Truck, com.	24	26
Imperial Tobacco	6	7
King Edward Hotel, Deb. A.	75	78
King Edward Hotel, Deb. B.	56	60
K. & S. Tire, pref.	8	9
Loew's Toronto, com.	31	34
Loew's London, com.	2½	3½
Loew's Ottawa, pref.	11	14
Massey-Harris	70½	73
Mount Royal Hotel, com.	5	6
Mount Royal Hotel, pref.	45	49
North Mexico Power, com.	50	53
R. Simpson, pref.	99	101
Willard's, pref.	72	75
Loblaw Groceterias, com.	54	57
Capital Life 25% Paid	21	25
Continental Life 20% Paid	33	..
Crown Life	120	..
Empire Life	22½	..
Excelsior Life 25% Paid	40	..
Great West Life	350	..
Imperial Life	175	..
Monarch Life 10% Paid	16½	18½
Manufacturers Life 20% Paid	76	..
Montreal Life 20% Paid	27	..
National Life 25% Paid	47	..
Re-insurance	12	15
Security Life 40% Paid	33	35
Sovereign Life 25% Paid	21	24
Sun Life 50% Paid	235	..
Comm. Finance, pref.	60	62½
Comm. Finance, com.	11	12½
Manfrs. Finance, 50% com.	6	7½
Mortgage Dis., pref.	7	7½
Toronto Finance, pref.	5	6

PROFITS CANADA PERMANENT WERE HIGHER IN 1925

Company Had Satisfactory Year in View of Conditions Prevailing

Net profits of the Canada Permanent Mortgage Corporation for the year 1925 amounted to $946,167, which compares with $922,683 for the preceding year. This increase in profits is regarded as satisfactory, considering all the circumstances of the past year from a business standpoint. After paying the usual dividends of 12 per cent. per annum on the company's paid-up capital stock, the sum of $500,000 was transferred to reserve fund, which was thus increased to $7,500,000. The balance carried forward at credit of profit and loss account was $94,804. The company's reserve fund is now $500,000 in excess of the paid-up capital of $7,000,000.

The company's assets are shown at $48,281,493, which compares with $45,414,653 for the preceding year. Mortgages on real estate are shown $48,281,493, which compares with $36,906,672 at the end of 1924. There are also fairly substantial increases in the company's holdings of municipal and government bonds. Its holdings of stocks are not shown in detail, as was the case in the previous annual report. The value of securities under this category increased during the year from $1,384,300 to $1,464,342. Cash in chartered banks and on hand was practically unchanged at $1,532,599.

On the liabilities side of the balance sheet it is shown that deposits increased by over $1,200,000 to $8,575,231. Currency debentures increased by over $1,700,000 to $10,014,052, and sterling debentures receded slightly.

Profit and Loss

	1925	1924	1923
Net profits ...	$946,167	$922,683	$911,798
Bal. forward ..	488,637	405,954	334,166
	$1,434,804	$1,328,637	$1,245,954
Distribution—			
Dividends . ..	$840,000	$840,000	$840,000
Reserve	500,000	....	....
Balance	94,804	488,637	405,954
	$1,434,804	$1,328,637	$1,245,954

Ten Years' Record

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.
1925	$7,000,000	$946,167	12	13.51
1924	7,000,000	922,683	12	13.17
1923	7,000,000	911,789	12	13.00
1922	7,000,000	903,019	12	12.90
1921	7,000,000	896,366	12	†13.79
1920	6,000,000	854,277	10	14.2
1919	6,000,000	827,984	10	13.8
1918	6,000,000	824,532	10	13.7
1917	6,000,000	852,325	10	14.2
1916	6,000,000	866,126	10	14.4

†$6,000,000 for the first six months and $7,000,000 for second six months.

Wheat Pools and Millers Are Reaching Agreement

Agreement has finally been reached between the Canadian Co-operative Wheat Producers Limited, the central selling agency of the western wheat pools and the Canadian National Millers' Association, and co-operation is brought one step nearer by a conference between the members. Three important requests made by the millers were adopted in principle. They were:

That the pools quote every evening to the Canadian Millers' Association the same prices as they quoted to their European buyers, for acceptance before the market opens next day; that the pools quote every evening to the association a slightly higher price than the wheat price at the moment, and allow the association the whole of the next day to accept the offer, if it so desires.

Central Canada Loan Increased Earnings

A gratifying report for the year ending Dec. 31, 1925, was presented at the annual meeting of the Central Canada Loan and Savings Company. Net earnings after payment of interest on deposits and debentures, and all expenses of management, amounted to $270,461, as against $249,534 for the year preceding. After payment of dividends and bonus, amounting to 14 per cent. for the year, and payment of Dominion and provincial government taxes, together with sundry charitable donations, the substantial amount of $182,060 was carried forward in open profit and loss to the year 1926, compared with $169,579 for the year previous. The deposits with the company increased during the year to the extent of almost half a million dollars and amounted to $2,704,978.94 on Dec. 31, 1925.

Profit and Loss

	1925	1924	1923
Profits	$270,462	$249,534	$228,839
Taxes	8,758	8,361	7,925
Char. funds ...	4,223	3,960	3,557
	$257,481	$237,213	$217,357
Bal. forward ...	169,579	159,866	152,509
	$427,060	$397,079	$369,866
Distribution—			
Dividends .. .	$210,000	$201,250	$175,000
Bonus	35,000	26,250	35,000
Balance	182,060	169,579	159,866
	$427,060	$397,079	$369,866

EIGHT YEARS' RECORD

Year	Paid-up Capital	xNet Profits	Div.	% Prof. Av. Cap.	Earn. R'te
1925	$1,750,000	$257,481	12+2	14.7	7.0
1924	1,750,000	237,213	11½+1½	13.5	6.5
1923	1,750,000	217,357	10+2	12.4	5.9
1922	1,750,000	199,177	10	11.4	5.5
1921	1,750,000	199,863	10	11.4	5.6
1920	1,750,000	206,787	10+3	12.1	5.7
1919	1,750,000	207,129	10	12.1	5.8
1918	1,750,000	193,211	10	11.4	6.4

xAfter deducting taxes and charitable funds.

British Mortgage Loan Profits Show Increase

Earnings of British Mortgage Loan in 1925 reached a new high of $270,084, while net at $92,754 compared with the 1920 high of $92,550. The figures:

Profit and Loss

	1925	1924	1923
Earnings	$270,084	$247,339	$247,368
Interest	127,461	116,965	120,211
Expenses	36,673	29,081	26,055
Taxes	13,196	12,958	12,248
	$177,330	$159,004	$158,514
Net profits	$ 92,754	$ 88,335	$ 88,854
Bal. forward ...	3,633	5,288	6,435
Prem. on stock	69,800	......	......
	$166,177	$ 93,623	$ 95,289
Distribution—			
Dividends .. .	$ 70,000	$ 70,000	$ 70,000
Reserve	80,000	10,000	20,000
Contingency .	......	10,000	......
Balance .. .	16,178	3,628	5,288
	$166,178	$ 93,628	$ 95,288

TEN YEARS' RECORD

Year	Paid-up Capital	Profits	Div.	% on Cap.	Earn. R'te
1925	$568,900	$92,754	12+2	18.5	8.2
1924 .. .	500,000	88,336	12+2	17.6	8.5
1923 .. .	500,000	88,853	12+2	17.7	8.7
1922 .. .	500,000	85,145	12	17.0	8.5
1921 .. .	500,000	70,581	12	14.1	7.3
1920 .. .	500,000	92,550	12+2	18.5	9.8
1919 .. .	500,000	82,958	12	16.5	9.1
1918 .. .	500,000	73,823	10	14.7	8.2
1917 .. .	500,000	62,984	10	12.5	7.9
1916 .. .	460,000	63,944	9	14.2	8.3

Stock Market Record

WEEK ENDING JANUARY 12

	Div. Rate	Yield Jan. 12	High for wk.	Low for wk.	Close Jan. 12	Close Jan. 5	Sales for wk.	Range 1926 High	Range 1926 Low
Banks—									
Commerce	12+1	5.77	225	224½	224½	225	108	229¼	194½
Dominion	12+1	5.98	217½	215½	217½	215¼	28	218¼	189
Can. Nationale	10	6.06	165	162½	165	163	30	170	148
Imperial	12+1	6.13	212½	212	212	212	181	213½	184
Montreal	12+2	5.38	261	259	260	260	199	271	240
Nova Scotia	16	5.60	285	283	285	282	397	285	262
Royal	12+2	5.62	250	248½	249	249	280	255½	227½
Standard	12	6.00	200	199½	200	199½	180	200	170
Toronto	12	5.50	218	217	218	216	61	218	192½
Paper—									
Abitibi, com.	4	5.55	74½	71½	72	74	1702	76¼	62
Do. pref.	7	6.03	116	116	116	..	215	110	101
Belgo-Can., com.	6	....	..	..	..	..	..	100	80
Do. pref.	7	7.25	96½	96	96½	96½	205	99½	95
Brompton Pulp	.	....	28	26	27½	28	1202	33¼	19½
Laurentide	6	6.97	88	86	86	87½	1146	91	73
Price Bros., com.	2	3.39	59	57	59	57	345	59	35½
Do. pref.	6½	6.77	96	95½	96	96	420	96½	95
Prov. Paper, com.	6	5.94	101	100	101	..	50	111½	92½
Do. pref.	7	6.82	102½	102½	102½	..	7	103½	95
Smith, Howard, com.	.	....	42¼	40	40	..	295	41	21½
Do. pref.	8	8.51	96	94	94	94½	110	106	69½
St. Maurice Paper	6	5.66	106	104½	106	105	380	105	80
Span. River, com	7	6.69	105	104	104½	105	1322	111½	92½
Do. pref.	7	6.08	116½	114½	115	117	203	127	110½
Wayagamack	.	....	83	76	82½	78	735	75	84½
Steel and Steel Industries—									
B.E. Steel, com.	.	....	3	2½	3	2½	527	4½	1½
Do. 1st pref.	.	....	28½	27	28	27½	415	36	22
Do. 2nd pref.	.	....	10	8	10	8½	3285	14½	6½
Can. Car & Found., com.	.	....	39	35	35	36½	460	57½	30
Do. pref.	7	8.86	80½	76½	79	74	775	90½	73½
Can. Fairbanks, pref.	.	....	..	..	..	..	..	46	46
Can. Gen. Elec., com.	.	....	51	51	51	..	90	55	53
Do. pref.	7	6.08	58	57	58	57	395	60	50
Canada Iron, com.	.	....	10	10	10	..	12	8	8
Do. pref.	4	....	40	40	40	..	12	40	32
Can. Locomotive, com.	.	....	..	..	..	..	..	72	35
Do. pref.	7	....	..	..	..	..	..	90	73½
Dodge Bros., com.	.	....	..	..	..	..	..	46½	22
Do. pref.	7	....	..	..	..	..	..	89½	80½
Dominion Coal	.	....	40½	40½	40½	..	55	50	39½
Dominion Iron, pref.	.	....	21¼	20	21¼	..	100	30	20
Dominion Bridge	4	....	87	80	83½	84	3567	104	77
Dom. Radiator, pref.	7	....	..	..	..	..	..	102½	98½
Dom. Steel Corp., pref.	.	....	24	24	24	..	61	38	20½
Ford Motor	10	....	..	..	..	..	..	512	488
Gould Mfg., com.	6	....	..	..	..	..	..	100	90
N.S. Steel, com.	.	....	..	..	..	..	..	13	8½
Do. pref.	.	....	..	..	..	..	..	32	21
Ontario Steel, com.	4+1	6.94	..	..	..	..	..	75½	41
Do. pref.	7	6.96	100½	100½	100½	..	20	102	91½
Russell Motor, com.	.	....	40	40	40	40	25	44½	24
Do. pref.	7	8.43	83	83	83	83	36	88	74½
Sawyer-Massey, com.	.	....	..	..	..	..	..	1	14
Do. pref.	.	....	..	..	..	..	..	20½	5
Steel of Canada, com.	.	....	..	..	..	..	..	20½	
Steel of Canada, com.	7	7.19	98½	95½	97	98½	545	99½	80
Do. pref.	7	6.03	116½	114	116	116	119	116	105
Milling and Foodstuffs—									
Atlantic Sugar, com.	.	....	31	29½	29½	32½	776	37½	13
Do. pref.	.	....	87	85	85	87	285	88½	40
B.C. Fishing	.	....	61½	60	60½	60½	430	64½	19
Canada Bread, com.	.	....	61	61	61	60	100	65	39½
Do. pref. (A)	7	6.52	107½	107	107	107	55	108	100
Do. pref. (B)	7	7.25	96½	96½	96½	96½	105	97	85½
Can. Canners, com.	.	....	15	13	13½	14	226½	15	11½
Do. pref.	.	....	67	64	64	67½	876	69½	53½
Canadian Salt	8	....	..	..	..	..	..	154½	112
Christie Biscuits, com.	.	....	63½	62	62	..	210	65	31½
Do. pref.	7	....	..	..	..	..	..	118	109½
Can. Bakeries, com.	.	....	35	35	35	36	14	40	31
Do. pref.	7	7.29	96	96	96	76	76	96½	93
City Dairy, com.	12	3.84	78	75½	78	77½	969	90½	65
Do. pref.	7	6.48	108	108	108	107	1	110	104½
Cuban Can. Sugar, com.	.	....	3½	3½	3½	..	10	10	3½
Do. pref.	.	....	..	..	..	..	..	44½	22
Dominion Stores, com.	1.00	....	65	65	65	..	25	72½	28½
Do. pref.	8	7.14	112	107	112	106	70	109	97½
Wm. Davies (A)	.	....	36½	36	36½	36	869	37½	24
Inter. Milling, pref.	7	6.68	104½	102½	104½	103	98	108½	96½
Lake of Woods, com.	12	6.97	175	172½	172½	172	140	193	169
Do. pref.	7	6.03	116	116	116	116	5	125½	115
Maple Leaf Mill, com.	.	....	88	88	88	..	5	100	80
Do. pref.	7	6.86	102	102	102	102	32	105	96
Ogilvie Flour, com.	5+3	4.21	194	180	190	175	321	180½	185
Do. pref.	7	....	..	..	..	..	..	127	126

	Div. Rate	Yield Jan. 12	High for wk.	Low for wk.	Close Jan. 12	Close Jan. 5	Sales	Range 1926 High	Range 1926 Low
Pure Gold Mfg.	50c	....	..	..	..	..	..	27	21
Shredded Wheat	10	5.86	170½	169½	170½	170	92	171½	148
St. Law. Flour, com.	.	....	45	39½	42	..	2330	65	27
Do. pref.	7	....	..	..	..	..	..	84	78½
West. Can. Flour	8	6.95	115	114	115	115	50	120	104½
Western Grocers, com.	.	....	10½	6½	7	12½	1468	14½	4½
Do. pref.	.	....	55	49½	54½	63	400	64	38
Utilities—									
Bell Telephone	8	5.71	140½	139	140	140	592	142	132½
Consumers Gas	10	5.61	178	175½	178	175	175	177	164
Inter. Utilities	.	....	38	38	38	..	150	40¼	35¼
Jamaica Pub. Ser. pref.	7	....	..	..	..	..	..	98½	96¼
Kaminisqituia	8	....	..	..	..	..	..	140½	100
Laurentide Power	5	4.54	110	110	110	..	100	115	93¾
Mackay, com.	7	5.10	138½	137	137	138	54	142	114½
Do. pref.	4	5.47	73	72½	73	72½	144	77¾	67
Mexican Light, com	.	....	30	30	30	30	200	34	22
Do. pref.	.	....	..	..	..	..	..	64	57
Mont. L. H. & Pr. Cons.	8	3.72	216	212½	215	215	3156	220	152
Montreal Telegraph	8	....	..	..	..	..	..	55	45
Ottawa L. H. & Pr., com	6	....	..	..	..	..	..	103½	95
Do. pref.	6½	6.32	102¾	102¾	102¾	102	1	109	100
Quebec Power, com.	5	4.22	118¼	113	118	114	813	119	85
Do. pref.	7	6.03	116	116	116	..	50	115	103½
Shawinigan	8	4.70	170	168	170	169	330	175	130½
South Can. Power, com	1.00	....	87	83	87	83¼	141	84	67
Do. pref.	6	6.00	101	100	100	..	19	121	104¾
Transportation—									
Can. Pacific Rly.	10	6.80	148¼	147	147	148	183	152¼	137
Can. Steamships, com.	.	....	13¼	11½	13¼	12	450	13¾	10
Do. pref.	.	....	61½	56½	60½	56¾	5758	64½	42
Tractions—									
Barcelona	.	....	29	27	27	28	95	30	18½
Brazilian, com.	4	4.76	84	80	83½	83½	66300	84	49¼
Do. pref.	6	6.09	98½	98½	98½	..	10	99	95
Detroit Un. Rly.	.	....	3¼	3¼	3¼	..	43	29	¼
Duluth-Superior	.	....	31½	30½	30½	31½	185	42	28½
Illinois Traction, pref	6	....	..	..	..	..	..	96	92
Montreal Trams	10	5.65	177	177	177	178	75	187	160
Ottawa Traction	4+1	7.93	63	63	63	..	15	66½	61
Porto Rico Rlys., com.	.	....	41½	40	41½	41	14	46½	35½
Do. pref.	7	7.97	89	87½	87¾	..	66	91¼	84
Quebec Rly.	.	....	..	..	..	..	..	24½	20
Twin City, com.	4	5.09	79	78	78½	78½	1319	79	58
Do. pref.	7	....	..	..	..	..	..	97	94½
Winnipeg Elec., com.	1	....	49	46½	48	47¾	2578	53½	36¼
Do. pref.	7	7.29	96	95	96	96	47	99½	87
Textiles—									
Can. Conn. Cotton, pref.	1	....	49	46¾	49	..	37	51½	39
Can. Converters	7	7.60	93	92	92	92	417	95	80
Can. Cottons, com.	8	6.61	121	121	121	..	11	124½	106
Do. pref.	6	6.25	96	95	96	96½	8	96½	90
Can. Woollens, com.	.	....	..	..	..	..	..	15	5½
Do. pref.	.	....	50	50	50	..	5	61	40
Dom. Textile, com.	5	5.43	94	92	92	91½	1152	95½	66
Do. pref.	7	5.83	120½	120	120½	119	36	119	111
Monarch Knitting, com	.	....	..	..	..	..	..	45	30
Do. pref.	.	....	..	..	..	..	..	80	45
Montreal Cottons, com.	6	....	..	..	..	..	..	105	95
Do. pref.	7	6.14	114½	112	114½	114	48	117½	109
Penmans, com.	8	4.39	..	..	..	..	..	185	144
Do. pref.	6	5.75	104¼	104	104¼	..	20	105½	99
Wabasso Cotton	4	6.15	65	65	65	..	15	66½	55¼
General Industrials—									
Amer. Salesbook, com.	4.00	6.25	64	64	64	..	25	61	38
Do. pref.	7	7.44	94½	93	94	94	89	95	88
Asbestos Corp., com	6	6.38	94½	93	94	94½	217	98	35
Do. pref.	6	5.21	116	113	115	113	1060	117	73½
Bird & Son, pref.	7	8.40	..	..	..	..	..	83½	80

	Div. Rate	Yield Jan. 12	High for wk.	Low for wk.	Close Jan. 12	Close Jan. 5	Sales for wk.	Range 1926 High	Range 1926 Low
Brantford Cordage, pref.	2	....	27½	26	27½	26	215	28	25
Burt, F. N., com.	12	4.80	62½	61½	62	62	360	67	44
Do. pref.	7	2.76	..	..	..	..	..	253	142½
Canada Cement, com.	6	5.86	102½	101½	102	102½	1408	114	90½
Do. pref.	7	6.06	116	115½	115½	116	40	117½	107
Cons. Rubber, pref.	7	....	..	..	..	..	..	90	85
Can. Indust. Alcohol	1.28	7.64	17	16¼	16½	16½	2291	20½	14
Carr. Factories, com	.	....	..	..	..	..	..	2½	1
Crows Nest Coal	6	....	55	51	55	51	620	55½	35
Dom. Glass, com.	7	8.23	86	85	85	86	310	116½	83
Do. pref.	7	6.25	..	..	..	..	..	115	110½
Eastern Theatres, com	.	....	18½	18½	18½	..	15	19½	14
Do. pref.	7	8.43	83	83	83	..	3	88	70
Gilman, com.	6	5.71	..	..	..	..	..	108½	80
Do. pref.	7	6.16	114½	113½	113½	114	11	116	100
Goodyear Tire, pref.	7	7.40	95	93½	94½	94	218	100½	90
Holt Renfrew, pref.	7	....	..	..	..	..	..	84	65
King Ed. Hotel	.	....	..	..	..	..	..	34	20
Lyall Construction	.	....	20	20	20	..	5	29	11
National Brew., com.	4	6.95	58½	56½	57	57½	2782	68	42
Do. pref.	7	....	..	..	..	..	..	110	98
National Brick, com	.	....	12½	12½	12½	..	10	18	15
Do. pref.	7	....	71½	71½	71½	..	191	79½	70
Pacific Burt, com.	6	6.63	90½	90½	90½	..	75	96	87
Do. pref.	7	6.86	102	102	102	102	4	107	100½
Port Hope Sanitary, com.	.	....	75	75	75	..	50	85	53
Do. pref.	7	....	..	..	..	..	..	100	88
Rogers, Wm., com.	.	....	49	48	49	45	35	65	48
Do. pref.	7	7.75	90¼	90¼	90¼	92	5	95	88
Sherwin-Williams, com	6	4.63	130	129	129½	131	57	135	115
Do. pref.	7	6.19	113	113	113	113¼	4	115	104½
Sterling Coal	4	....	..	..	..	..	..	53	38½
Tooke Bros., com.	.	....	..	..	..	..	..	8	8
Do. pref.	.	....	..	..	..	..	..	62½	37
Tuckett Tobacco, com.	4	6.15	65	65	65	65	5	70	59
Do. pref.	7	6.86	192	102	102	..	19	103	96½
Woods Mfg., com.	.	....	40½	40	40	41	50	49	20
Do. pref.	7	8.97	78½	77¾	78	..	111	80	64½
Trust and Loan—									
Canada Landed	10+1	5.72	96	95	96	..	100	97	80
Can. Permanent	12	5.88	204	203	203	202½	114	208	190
Colonial Invest.	6	....	..	..	..	..	..	7½	4
Hamilton Prov.	10	6.41	..	..	..	..	..	156	154
Huron & Erie	7	5.51	..	..	..	..	..	130	125
Landed Banking	9	6.16	..	..	..	..	..	146	142
Montreal Loan	12+1	6.50	50	50	50	..	12	50	48
National Trust	12	5.26	..	..	..	..	..	228	210
Ontario Loan	11	5.33	..	..	..	..	..	105	99
Real Estate Loan	7	8.23	..	..	..	..	..	88½	85
Toronto Gen. Trusts	12	5.42	..	..	..	..	..	221	208
Toronto Mortgage	10+1	5.97	..	..	..	..	..	92	87½
Union Trust	7	7.77	..	..	..	..	..	90	85½
THE CURB MARKET									
Brit. Amer. Oil	8+2	4.70	53½	50	53	50	7876	50½	36½
Can. Oil, com.	.	....	69	65	69	..	133	60	38
Do. pref.	8	....	100	100	100	..	5	100	97
Continental Oil	25c	1.00	25	25	25	26	125	29	22½
Imperial Oil	1.00	2.63	38	36	36½	38½	2974	38½	27½
Inter. Petroleum	75c	2.27	34½	33	33	34½	1397	35½	22½
Dryden Power	.	....	7½	7	7	7½	540	8½	8
East Engineering	.	....	1	1	1	1	205	2	½
Good. & Worts	1½	3.00	200	193	200	193	347	200	120
North Star Oil com.	.	....	..	..	..	..	..	160	75
Do. pref.	.	....	4.50	4.50	4.50	4.50	20	4.50	3.90
Simpson's, pref.	6	6.00	..	..	..	..	..	100	99½
St. Maur. Power	.	....	77	77	77	..	38	77½	75
Manitoba Power	.	....	25½	24	25½	..	1444	..	..
Volcanic Oil	62c	2.13	29	29	29	29	80	31	24
Newsprint Corp.	.	....	27	25	25	..	56	..	..
Toronto R. S.	.	....	1.25	1.10	1.25	..	1770	..	..

These Bonds having been sold, this advertisement is published for record only.

NEW ISSUE

$1,175,000

Port Alfred Pulp & Paper Corporation

First Mortgage 6½% Sinking Fund Gold Bonds

To be dated July 2, 1924 — To mature April 1, 1943

Principal and semi-annual interest (April 1st and October 1st) payable at the holder's option in Canadian gold coin at any Branch in Canada of The Royal Bank of Canada, or in United States gold coin at the Agency of The Royal Bank of Canada, New York, or in Sterling, at The Royal Bank of Canada, London, England, at the fixed rate of $4.86⅔ to the £1 Sterling. Coupon Bonds in denominations of $1,000 and $500 registerable as to principal only, or fully registered Bonds in denominations of $1,000, or any multiple thereof. Coupon Bonds and fully registered Bonds of $1,000 denominations interchangeable. Bonds may be redeemed as a whole or in part at the option of the Company on thirty days' notice on any interest date, at 104¾ and accrued interest, if redeemed on April 1st, 1926, and thereafter at ¼ of 1% less per annum for each subsequent year, or fraction thereof, until April 1st, 1935, and thereafter at 102 and accrued interest, as provided in the Trust Deed.—Montreal Trust Company,—Trustee.

For detailed information, we refer to letter from Mr. George M. McKee, President of Port Alfred Pulp & Paper Corporation, from which we summarize as follows:

The Company

Port Alfred Pulp & Paper Corporation is one of the lowest cost producers of high-grade sulphite pulp on the continent. It owns and operates mill properties on tidewater on the Saguenay River at Port Alfred, P.Q., now in course of extension to include newsprint production.

Mill Properties and Proposed Extensions

The Company's plant comprises a well balanced and complete sulphite pulp mill. Construction was commenced in 1916 and completed in 1918 with initial capacity of 31,360 tons per annum, since increased to present rated capacity of 50,000 tons per annum.

Construction is now in progress for the installation of two newsprint machines and ten magazine grinders. It is also proposed to instal a fifth sulphite pulp digester. Upon completion of the present construction programme, the plant will have rated annual production for sale of 67,500 tons newsprint and 50,000 tons high-grade sulphite pulp. It is expected that the first newsprint machine will be in operation by May 1st, 1926, and the second by September 1st, 1926.

Timber Limits

The Company owns in fee, and has under lease or contract, timber areas containing available pulpwood conservatively estimated at 10,000,000 cords, sufficient, without benefit of regrowth or reforestation, for fifty years' operation at the increased capacity.

Assets

Physical assets, including plants, properties, buildings and timber limits have been recently valued at $12,052,686, including proposed extensions, funds for which are to be provided in part by the sale of the Bonds now being offered. Net current assets as at July 31, 1925, after deducting all current liabilities and including inventories at less than market value, are certified by Messrs. P. S. Ross & Sons, Chartered Accountants, Montreal, to have been $1,247,593.

Earnings

Net earnings for the twelve months ended July 31st, 1925, after operating expenses, maintenance and repairs, available for bond interest were $669,800, or more than twice interest on outstanding First Mortgage Bonds, including the Bonds now offered. These earnings were obtained from the manufacture and sale of sulphite pulp only and in spite of unfavorable operating conditions during the initial months of the period.

On completion of the proposed extensions, it is conservatively estimated that annual net earnings after operating expenses, maintenance and repairs, available for bond interest, will be not less than $2,070,000.

We offer this issue of Bonds if, as and when issued and received by us, and approved by our counsel, at

Price: 100 and interest, yielding 6.50%

Wood, Gundy & Company

Limited

Toronto — 36 King Street, West — Montreal
Winnipeg — TORONTO — New York
London, Ont. — Telephone: Elgin 4321 — London, Eng.

The statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable.

The Laurentide Company
Limited

Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE - QUEBEC

The Wabasso Cotton
Company, Limited

THREE RIVERS, P. Q.

Manufacturers of Fine White Cotton, also Spinner's Fine Counts of Yarns

DOMINION BRIDGE CO.
LIMITED
Montreal, P.Q.
ENGINEERS, MANUFACTURERS and ERECTORS of STEEL STRUCTURES
HEAD OFFICE AND WORKS: Lachine Locks, P.Q. P.O. Address, Montreal, P.Q.
BRANCH OFFICE AND WORKS: Toronto, Ottawa and Winnipeg.
Sales Offices: Montreal, Ottawa, Toronto, Winnipeg, Regina, Edmonton, Vancouver.

Atlantic Sugar Refineries
LIMITED
Lantic Sugar
General Offices
211 McGILL STREET
MONTREAL
Refineries - St. John, N.B.

DOMINION TEXTILE CO., LIMITED
PRUE
MANUFACTURING
ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS
AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.
MONTREAL TORONTO WINNIPEG VANCOUVER

MAPLE LEAF
Anti-Freeze
The sale of "Maple Leaf Anti-Freeze" is more than all other brands combined.
Don't say "Anti-Freeze," say "MAPLE LEAF ANTI-FREEZE"
Sold in all first-class Garages, Service and Filling Stations.
CANADIAN INDUSTRIAL ALCOHOL COMPANY LIMITED
Distributing Warehouses:
MONTREAL — CORBYVILLE — TORONTO — WINNIPEG — VANCOUVER

Pulp and Paper

NET EARNINGS OF INTERNATIONAL PAPER $1 A SHARE

Interest in Stock Shortly to be Listed in Canada

From Our Own Correspondent.

MONTREAL. — The International Paper Company stock is shortly to be listed in Montreal. Canadian interests have recently acquired an interest in the securities of this company and the result is seen in a wider public interest in the company's financial position. The year 1925 was a transition period for this organization. The properties which have been acquired in Canada during the year are, in many instances, still in the development period, and the increased newsprint manufacturing facilities of the Canadian mills have not yet been placed in operation. It is anticipated that earnings for the twelve months' period ending December 31, 1925, will not be large when applied to the 500,000 shares of outstanding no par value common stock. Incidentally, it would seem that earnings during the year would not, therefore, be a fair gauge of the company's earning power in the future.

After all charges, the net applicable to the common stock will probably range in the neighborhood of $1 a share. There are, however, those who feel that the earnings applicable to the common will not be much more than 60 cents a share, though admitting, also, the possibility that this estimate may have to be revised upwards. In 1924 the management conservatively wrote off $1,000,000 as a contingency reserve; this had a decided effect on lowering the earnings applicable to the $100 par common stock then outstanding.

The special contingency reserve remains untouched. Whether resort will be made to it to cover certain expenses charged against current earnings during the last year is not known, but it is safe to assume that the presence of this fund may influence the management to make less liberal charge-offs for contingencies for the year just ended.

When comparing estimated net income, after all charges and depreciation, of around $2,250,000 for 1925 —this being a minimum estimate — with actual net of $2,532,656 reported for 1924, certain changes in capitalization must be taken into consideration.

While International Paper is selling newsprint during the current year at $65 a ton, a reduction from the price of $70 a ton prevailing throughout 1925, this apparent reduction in earnings is expected to be made up in various ways. The increased production in Canada at low cost will be an important factor, while conversion of various American mills to manufacture of finer grades of paper and increased production of pulp for rayon manufacturers should help to compensate for the loss, too.

Sulphate and Sulphite U.S. Imports Increase

From Our Own Correspondent.

MONTREAL. — Canadian exports of both sulphite and sulphate pulp to the United States during the month of November, 1925, show a decided increase, as compared with the same month of 1924.

The reason for the increase in Canadian exports of sulphite to the States is a decided drop in the U. S. imports from all other countries. This may be taken as one indication of a better demand for sulphite pulp overseas and is also indicative, to some extent, of the strengthening market for Canadian sulphite pulp in the United States.

Canadian exports of sulphate pulp to the United States show a large increase during the month but the increase is not, as in the case of sulphite, traceable to any decline in imports to the United States from other countries. The total imports of sulphate to the United States during the month increased considerably and, with the general increase, the Canadian exports to that country also moved upwards. For the eleven months' period ending November, 1925, the United States imported a total of 280,640 tons of sulphate, as compared with 252,084 tons in the first eleven months of 1924. This slight increase in the total imports of sulphate in the United States is reflected in the Canadian exports to that country in the figures below, which show the imports of Canadian sulphite and sulphate pulp to the United States during November, and for the eleven months' period ending November, with a comparison with the corresponding periods of the preceding year.

Sulphite Pulp

	Tons	Value
November, 1925	34,283	$2,158,241
November, 1924	29,828	1,975,961
11 months' ending	Tons	Value
November, 1925	352,178	22,723,059
November, 1924	293,770	19,445,871

Sulphate Pulp

	Tons	Value
November, 1925	9,869	$ 628,407
November, 1924	8,717	565,052
11 months ending	Tons	Value
November, 1925	117,288	7,505,920
November, 1924	114,942	7,306,866

Wayagamack Making Progress in "News" Field

MONTREAL.—Wayagamack Pulp and Paper Company is understood to be thoroughly satisfied with the progress made thus far in its career as a producer of newsprint paper. The initial period of tuning-up of machines has been passed, and operations are now on a fairly stable scale. It is stated that production is altogether satisfactory and that the company has made some quite large shipments to the United States market. It is also credited with having made a small test shipment to Australia, and it is hoped by the directors that considerable business will develop as a result. Removal of the Australian duties against the Canadian product opens this market to Canadian newsprint manufacturers. It is believed that the company will be in a position to take advantage, over the course of the next few months, of the strong "spot" paper market in New York, and by doing so will receive considerably better than the 1926 contract price of $65 per ton.

Another New Paper Mill in Province of B.C.

From Our Own Correspondent.

MONTREAL. — The new Australian treaty is giving an impulse to the pulp and paper industry in British Columbia. The Canadian-Scottish Paper Company is proposing to erect a plant there to manufacture coated book and lithograph paper; a market for the output will be found domestically and also in the Orient and the Antipodes. The base paper for coating is already being manufactured in that province and it is thought that the temperature of the coast will prove particularly suited to the manufacture of coated papers.

NEW MARKETS FOR CANADA'S NEWSPRINT

American Consumption is Not the Only Outlet That is Expanding

From Our Own Correspondent.

MONTREAL. — Even admitting that the supply of Canadian newsprint will shortly exceed the demand in the U. S., there is no reason to presume that the Canadian newsprint companies will have difficulty in finding a market, was the view expressed to The Financial Post by the president of one company which is bringing a large tonnage on the market this year.

His view of this situation was that Canada's production costs were lower than any other country in the world and that, even admitting that our output would be in excess of the increase in the U. S. demand, there remain other markets such as the Antipodes, South America, South Africa and the Continent, for the Canadian newsprint producers.

Naturally the Canadian companies desire to sell their output to the United States as a higher profit is thus obtained through lower freight rates, but there is no doubt that the portion of the Australian, Continental and South American markets, which the Canadian newsprint mills could capture, would more than compensate for the increased Canadian production during the coming year. This manufacturer's view was simply that newsprint, like grain, had a world market and that, even in the worst times, there still were farmers able to earn a living—the same would apply to the newsprint companies: those which are ably managed and in a sound position will always be able to make a living in the world market as the Dominion can produce newsprint at a lower cost than other countries.

Abitibi Power & Paper Increased Its Output

MONTREAL.—In the matter of production, the year 1925 was a very successful one for the Abitibi Power and Paper Company. Practically every record in every department of the mill was broken at one time or another during the year, and some of them were broken several times. This was not achieved through increased mechanical equipment, but by the greater co-ordination and co-operation of the employees and other factors which influenced the output.

The year 1924 was well ahead of 1923, and the increase in output during 1925 was, therefore, the more remarkable. The increased production of the groundwood mill amounted to 14½ per cent. per stone. Sulphite mills produced 1.500 more tons; the paper mill added 12½ tons per day throughout the year, and the steam plant efficiency was also increased.

The mill's statement for 1925 is enlightening. It shows a steady improvement, and it is to be remembered that each year improvement is harder to achieve. Here are the production figures since 1922:

1922—450 tons per day.
1923—465 tons per day.
1924—488.2 tons per day.
1925—501.7 tons per day.

Merchandise Loadings Higher Than Last Year's

As is normal at this time, car loadings have slumped radically. But the slump has gone a little farther than at any time for more than a year. The low of 43,559 cars marks a low point since the first week of January last year.

There are two reasons for this low record. One is the vacation period. The other is the fact that the grain shipments were attended to with exceptional dispatch this year. There were relatively high prices at the beginning of the season and there were prospects of a huge world surplus of grain, especially wheat. For this reason, owners followed the policy of unloading early in the season. Now when the prospects are for maintenance of present levels, if not higher levels, there is less tendency to sell.

More significant than the total car loadings figure is the figure for merchandise shipments. These shipments last week amounted to 10.742 against 11.888 the previous week. The business lull at the end and beginning of the year is represented by a low volume of merchandise shipments, but the 'trough' is not as deep as was the case at the beginning of 1925.

Rents for Residential Property Are Declining

CHICAGO. — Rents for residential property are becoming stabilized or are gradually diminishing, but business and office rents are increasing, with building activity at great height, and a plentiful supply of money available for real estate development, according to a survey of the general real estate market which has just been made by the National Association of Real Estate Boards.

The survey, made semi-annually through reports of local conditions by the association's constituent boards, covering 198 cities of the United States and Canada, is of especial interest at this time in view of the unprecedented activity of the building industry during the year, the general interest in real estate as an investment, and the close relationship between building and real estate activity and general business conditions.

PORT ALFRED PULP & PAPER CORPORATION
HEAD OFFICE:
INSURANCE EXCHANGE BUILDING
MONTREAL, P.Q.
Mills at PORT ALFRED, P.Q.

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada.
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

Woods Manufacturing Company, Limited
Jute and Cotton Bags — Tents
Hessians, Buckrams — Flags
Paddings and Twine — Tarpaulins
Clothing and Cotton Fabrics
FACTORIES AT MONTREAL, TORONTO, OTTAWA WINNIPEG, WELLAND
HEAD OFFICE: MONTREAL

ACCUMULATIVE BONDS
The interest on amounts invested in these Bonds is COMPOUNDED half-yearly. As compared with interest at the same rate paid half-yearly, and probably spent as received, this compounding of interest means a considerably greater return to the investor. The Bonds are issued as required in sums of $100.00 and upwards. Interest commences the date the money is received. $390.60 invested in these Bonds to-day will amount to $500.00 at the end of five years.
Any further information desired will be cheerfully furnished on request.
CANADA PERMANENT 70 YEARS 1855–1925
Established 1855
CANADA PERMANENT MORTGAGE CORPORATION
14-18 TORONTO STREET - TORONTO, 2
Assets exceed $47,000,000.00

INVEST YOUR SAVINGS
in a 5% DEBENTURE of
The Great West Permanent Loan Company
5% Interest Return
SECURITY
Paid-up Capital $2,414,663.00
Reserves 1,100,000.00
Assets 6,184,420.00
HEAD OFFICE, WINNIPEG
Branches: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland.

P. Lyall & Sons Construction Company, Limited
Toronto - Montreal - Ottawa

LAKE OF THE WOODS MILLING CO. LTD.
Makers of FIVE ROSES FLOUR
Mills at Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat
CAPACITY, 20,000 BARRELS DAILY
President and Managing Director: FRANK S. MEIGHEN, C.M.G.
Vice-President & Gen'l. Manager: WM. W. HUTCHISON.
Directors:
W. R ALLAN, R. M. BALLANTYNE, TANCREDE BIENVENU, HON. SIR LOMER GOUIN, K.C.M.G., GEO. V. HASTINGS, WALTER MOLSON, R. W. REFORD, ABNER KINGMAN, J. K. L. ROSS, N. J. BREEN.
Secretary, M. H. HUTCHISON; Treasurer, T. F. McNALLY; Asst. Treasurer, A. C. McMILLAN.

Hands Insurance Company Check for $1,328,000

The largest single payment of a premium ever made to a life insurance company by an industrial organization, was made a few days ago, when J. L. Merrill, president of All America Cables, Ltd., delivered to the Metropolitan Life Insurance Company, a check for $1,328,238.

The purpose of this payment was to place the business plan of the All America Cables Company, affecting about 900 employees on a sounder basis through the purchase of deferred annuities from the insurance company. According to the new plan, a suitable annuity will be paid to all the employees of the company, on the basis of the length of of service, when they have reached age 60.

Referring to the plan, Mr. Merrill said: "We do not wish to have it appear that the substantial payment we are making to-day represents any extraordinary new generosity on the part of this company. We are merely turning over to the insurance company the large sum already in our pension fund and adding to it enough to provide, as we believe we should provide, for the future carrying out of the promises that have been made by this company as to the pensions arising out of the service that has been rendered up to this time by the faithful employee."

ALBERTA SUGAR PRODUCTION

The output of the new Raymond sugar factory, following the first season's run, will be about 80,000 bags of sugar, from about 45,000 tons of beets. The run was not as heavy as first expected, but was quite satisfactory. The pulp and other by-products of the plant are to be used in stock-feeding experiments.

Food Products

WESTERN GROCERS PLAN CHANGES IN BASIS OF CAPITAL

Would Thus Take Care of Dividend Arrears on Preferred

With a surplus of only $31,645 at the end of 1924, compared with preferred stock dividend liability at that time of over $250,000, it would seem that the directors of Western Grocers, Ltd., are taking a wise course in proposing a capital reorganization which will enable the company to take advantage of whatever improvements in the business situation now taking place as the result of the successful crop. Undoubtedly the report for 1925 will reflect in some degree this improvement but the preferred dividend liability has now increased to over $400,000.

In a letter to the shareholders the directors ask the holders of the preferred to accept one share of new 7 per cent., $100 par, cumulative preferred, $2.50 in cash and one share of new no par value common for each two of the old preferred shares, and the wiping out of the accumulated dividends amounting to $17.50. Common stockholders are asked to accept one share of the new no par value common in place of six of the old shares.

Should the plan be given effect the directors outline the new capitalization as follows:

"As there are now outstanding a total of 23,886 preference shares and 30,000 common shares, this recommended adjustment would leave the capitalization of the company as follows: 11,943 seven per cent. cumulative preference shares of $100 par value; 16,943 no par value common shares.

"It will be observed that capital obligations prior to the common will have been reduced from $2,388,000 to $1,194,000, a matter of $1,194,000. Furthermore, the item 'goodwill and trade marks' will disappear from the balance sheet. The balance sheet will thus show a reduction in assets of $3,111,722 to $4,124,885, and to balance these assets the 16,943 new no par value stock will have a book value of $1,082,577, or equal to over $63 per share.

The Company's Outlook

Speaking of the company's prospects, the directors say:

"Your company enjoyed a good turnover, is showing a substantial profit, and is in a sound condition fanancially. Its liquid position is also exceptionally good. On a reasonable basis of capitalization, its future prospects, in our opinion, are very good. Following a period of depression, business in Western Canada is gradually getting into sound, healthy shape and, although groceries are sold on continually decreasing margins, yet in view of our large turnovers, we look forward to showing satisfactory returns to shareholders on a reasonable basis of capitalization such as outlined here.

"In January, 1913, when your company acquired through the Dominion Bond Company the wholesale grocery business previously carried on by A. MacDonald and Company, there was included in the company's assets $3,111,726 representing 'goodwill and trade mark' and against which there was issued $3,000,000 common stock. Your present directors feel satisfied, then, that the inclusion of such an amount in the company's assets was unwarranted, and that the common shares issued were excessive, as they did not have supporting assets nor earning power to justify the issue of such a large amount.

"Therefore, the plan of adjusting the capitalization, in our opinion, put the shares of the company on a strong investment basis instead of on a speculative basis as they have been in the past. They would be backed by a strong statement and a very substantial showing of supporting assets. The preference shares would, in our opinion, be of a regular and permanent dividend basis, and that very early in 1926."

IMPORTANT GAINS IN FLOUR EXPORTS

Great Britain is Canada's Largest Export Market, With Germany Second

Current foreign trade figures indicate that Canadian millers are holding their own in the foreign markets for flour, and have made some important advances although there is no spectacular rise in demand abroad. Much was made of large shipments to Russia last year, but these did not lead to any further business as yet. Great Britain continues to be the largest single market for Canadian flour, with Germany a close second. Almost half of last year's total shipments went to these two countries.

Shipments to Germany have been somewhat hampered by the imposition there of a tariff duty of 8½ marks per 100 kilos on flour, and 3½ per kilo on wheat, effective September 1 last. The effect of this became immediately evident in a reduction in the monthly import figures, as concerning Canadian flour especially. A considerable increase has taken place in shipments to Japan recently, and there are good prospects for a still greater gain.

Most of the larger milling concerns had a lean year in 1925, and there was no increase in the milling capacity of the country during the year. On the other hand, the working capacity, and the number of mills showed some reduction. Unprofitable working conditions forced a number of the smaller mills out of business. The only new additions to the industry of importance were the Spillers' plant and an unfinished plant of the Alberta Flour Mills Limited, both in Calgary. The manner in which Canadian flour is reaching the more remote parts of the world is shown by official figures giving exports for the last full crop. In that period Greenland bought 2,691 bbls. of Canadian flour, Brazil 35,659, Austria 1,011, Morocco 3,839, New Zealand 287, Palestine 4,212, Peru 1,637, Portuguese Africa 10,017, Spanish Africa 2,373, the Philippine Islands 3,626, and Venezuela 110,601. Sixty-eight countries and dependencies figured in the list of direct purchasers of Canadian flour in that crop year.

B.C. PACKERS HAD VERY GOOD YEAR, SAYS WHITEHEAD

Better Foreign Demand is an Important Factor

That the present strong market for canned salmon will be sustained throughout the next few months, is the opinion of British Columbia packers. This situation has been brought about mainly by the improved condition in the world markets and the better demand for Canadian salmon abroad, says Canadian Grocer. Results have been more favorable for the season 1925 than have been experienced during the past four years when the canned salmon industry encountered great difficulty in profitably operating their plants, according to J. M. Whitehead, director of the British Columbia Fishing & Packing Co., Limited, Vancouver, B.C.

Mr. Whitehead continued:

"The total British Columbia pack of 1925 is somewhat less than the year previous, but marketing conditions have improved and we have been able to dispose of practically all our output at prices which generally return a reasonable profit.

"Notwithstanding the advance in price of the higher grades of salmon, consumption continues fairly active, and we believe wholesale stocks are not excessive. On the lower priced fish such as pinks and chums, packers have not received much increase in values, but at their present cost the demand has largely increased, and the quality of these fish is being more extensively and favorably realized.

"The English market has remained firm during the past twelve months and was unable to obtain the full quantities of B. C. sockeye salmon their trade demanded. Late sales to England were made at a considerable advance over the prices at which our home trade was supplied. The continent of Europe has taken a considerable quantity of pinks and chums, and this trade will be largely expanded when the exchange situation becomes more stabilized.

"Australia has bought freely and with the advantage given by the present tariff between Canada and that Commonwealth our trade should show material increase in 1926. Other markets throughout the world are open to our products and generally show preference for our British Columbia salmon.

"The market outlook for this coming season is therefore favorable, and we see no reason why present values cannot be maintained. From present indications, the demand for the higher grades of fish will again exceed the supply, but of course, this position does not allow an abnormal increase in prices, which would curtail consumption and become out of line with foreign packs competing with our world trade."

The pack of canned salmon in Canada for 1925 totalled 1,612,962 cases, which was slightly under the pack of last year, but considerably larger than the pack of 1923. The following table shows the pack for 1925, and comparison with 1923 and 1924:

	Cases
1923	1,341,677
1924	1,747,505
1925	1,612,962

National Grocers' Stock Largely Held in Canada

At the first of the year the National Grocers Company, Ltd. — the merger formed last August in Ontario—sent out its first dividend check on the 1,000,000 shares of the company. This was the only stock that was offered to the general public. Canadian Grocer understands that out of 433 different checks issued, 423 went to Canadian investors and 9 to the United States. This indicates how the stock was taken up by the public at the time of issue.

Canadian Canners Had Big Year at Aylmer Plant

Reviewing developments of 1925 in Aylmer, Ont., the Express says that Canadian Canners has had the biggest year since the war. Good prices have been paid for beans, corn, peas, pumpkins, apples, poultry, etc., and the factory has been operated for nearly the entire year. For some weeks last summer sufficient local help was not available, and labor had to be imported from surrounding centres.

Milling Stocks Held Well Against Adverse Conditions

For the most part the Canadian milling stocks have stood up well through the rather trying period of the last few months. Some show gains over a year ago and some losses are also shown. On the average, the securities stand in about the same position as at the beginning of 1925, allowing, of course, for the strong position of the stock market in the interval. International Milling opened last year at 99 and this at 102¾. Lake of the Woods common registered a loss from 185 last January to 172 at the beginning of 1926. Preferred dropped from 121 to 116. Maple Leaf Milling common opened last year at 81, reached a high of 98 and dropped back to around 88 at the opening of 1926. The preferred stock opened last year at 98, reached a high of 105, for the year, and opened 1926 at 102. Ogilvie flour common opened this year at 175 and has since risen to 194. Shredded wheat has risen from 150 last fall to 170 at the present time.

One of the largest factors in the situation is the foreign business of the milling companies, and there are ample indications that the foreign demand will be greater in 1926 than it was in 1925. Britain is still the largest market for Canadian flour, and the trade and industrial improvement there is a very encouraging sign.

Iron and Steel

GLACE BAY RAIDS RESULTED IN BIG PROPERTY LOSSES

Duncan Inquiry Report May Help the Whole Situation

From Our Own Correspondent.

SYDNEY.—At least $25,000 damage was done during the recent raiding and looting at Glace Bay, insurance people estimate, and while the police are daily locating and seizing some of the stolen goods, it is unlikely that their efforts in the long run will abate the loss to any extent. The Cape Breton industrial district has been enjoying such general prosperity since the strike of last summer that most people failed entirely to note the ugly situation developing at Caledonia and New Aberdeen, where for some time the mines have have been on four days a month. A series of mass meetings failed to get any results and nobody took very seriously their plain warning, made by resolution in the presence of the attorney-general, demanding work, or maintenance at union rates, or "we shall be forced to take what we need wherever we can find it."

After the serious rioting of last summer, there was a sort of general amnesty in Cape Breton, most of the scores of prisoners being nolle prosequied or let off on suspended sentence. No doubt this made the starting of the recent rampage easier. The claim put forward that boys were responsible for the recent trouble is misleading. Boys and women were in the forefront of the looters and did much of the actual damage, but they could have done nothing without the powerful support of the grown men who were present to the number of from one to two thousand at each of the raids.

The Rhodes government has promptly offered to guarantee town bonds for relief purposes, and the C. N. R. has come forward with an order for 120,000 tons of coal. But the C. N. R. order will provide only ten days' work, with all the mines going, and the town of Glace Bay cannot indefinitely supply funds to buy food for the greater part of its own population.

In fact the only hope for the Nova Scotia coal industry now seems to be that the Duncan report may result in some workable plan to solve its intricate problems. A majority of the people are beginning to realize that it is impossible to make even a bare living under present market and labor conditions.

The very things which indicate corporation faith in the future of the industry are bearing hard upon the people. For instance a new bankhead is to be built at New Aberdeen—but this means a shut down of several weeks with loss of employment to the bulk of the miners. The town of Dominion, with hundreds of miners, is due for a similar dull period because No. 1A mine is worked out and it will be some weeks before the development crews can push down to another underlying seam which it is proposed to develop near the old workings.

National Steel Car to Make Six-Wheel Buses

HAMILTON.—The National Steel Car Corporation, of Hamilton, will shortly undertake the manufacture of six-wheel buses, which have become recognized lately as among the most important factors in modern municipal transportation methods. These vehicles will be assembled at the local plant in a department organized for that purpose, and in addition the company will build the bodies to be placed on the bus chassis.

New Warehouse Building Incorporated at Winnipeg

WINNIPEG.—One of the largest transfers of property made during the closing days of last year was that of the Glengarry building and the adjoining warehouse, located at 290-2 McDermot Ave., at the southwest corner of this thoroughfare and Princess St., to a local company, one of the principals of which is S. Freedman, a Winnipeg merchant.

When the remodelling of the warehouse premises is completed and made suitable for manufacturing and warehouse purposes, the property will have cost the new owners approximately $180,000, it is estimated. The new holding company has been incorporated under the name of the Glengarry Building, Ltd.

Canada Cement Favored as Investment for Future

Among the industrial stocks recommended by Jones, Newton & Howard, Montreal brokers, is Canada Cement preferred. A letter to clients says: "The tangible assets behind this stock, combined with a surety of earning power, make it a desirable investment. On September 15, and in a previous market letter, we pointed out that we believed Cement common was selling above a reasonable figure. Subsequent sales have justified this conclusion, especially since this stock has declined in the face of a strong bull market. We are still of the opinion that in the eventuality of a bear market, stocks whose yield is not commensurate with their selling price will suffer most acutely. Nevertheless, Cement common may be expected to make more than a full recovery if held for a reasonable time."

The export trade of the Canada Cement Company appears to be making headway even in a high tariff country like the United States; during 1925, the company shipped about 400,000 barrels of cement to Florida. These shipments were all made from Montreal, and the order was secured against the keenest kind of competition.

Steel's Consolidated Reports Big Increase in Business

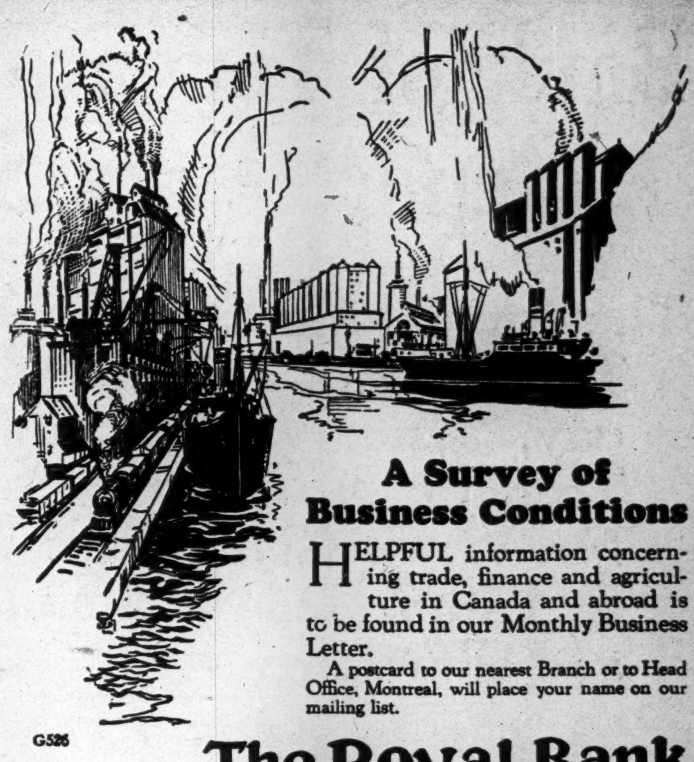
Merchandise sales of Steel's Consolidated, for the year 1925 amounted to $3,447,758 as compared to sales of $1,565,785 for the period in 1924 during which the reorganized company was in operation. December sales amounted to $764,239 as compared with $531,396.86 for the corresponding month a year ago, a gain of $232,842 and an increase of 43.82 per cent. December sales showed an increase of 142,69 per cent. over sales for the preceding month of November.

Sales of Steel's Consolidated Ltd., of Toronto, which now operates eighteen stores in Quebec and Ontario are reported as $1,751,618 as compared with sales of $726,607 for the period from July 5 to December 31, 1924, in which the present company was engaged in operation.

Steel's Consolidated, Ltd., plans to open six additional stores in Canada this year. The total number of stores now in operation in Canada and the United States is 53. It is estimated that these stores will do a gross business of approximately $4,500,000 this year without the additional stores to be opened.

CANADIAN LOCOMOTIVE

Work is now under way at the Canadian Locomotive Co.'s plant at Kingston, on several hundred sheet steel tanks and baskets, to be used by the Aluminum Co. of America at Chute a Caron. The order, amounting to over $250,000, is the largest except those for locomotives, ever received by the company, which is also constructing a ten-wheel locomotive for the Alberta Great Waterways Railway.



A Survey of Business Conditions

HELPFUL information concerning trade, finance and agriculture in Canada and abroad is to be found in our Monthly Business Letter.

A postcard to our nearest Branch or to Head Office, Montreal, will place your name on our mailing list.

The Royal Bank of Canada

THE BANK OF TORONTO

SEVENTIETH ANNUAL GENERAL REPORT

PROFIT AND LOSS ACCOUNT

The Balance at credit of Profit and Loss, on 29th November, 1924, was		$1,239,115.70
The Net Profits for the year, after making full provision for all bad and doubtful debts, and deducting expenses, interest accrued on deposits and rebate on current discounts, amounted to the sum of		1,012,964.24
		$2,252,079.94
This sum has been appropriated as follows:—		
Dividend No. 174, Three per cent.	$150,000.00	
Dividend No. 175, Three per cent.	150,000.00	
Dividend No. 176, Three per cent.	150,000.00	
Dividend No. 177, Three per cent.	150,000.00	
		$ 600,000.00
Tax on Circulation	$ 50,000.00	
Reserve for Accrued Taxes	80,000.00	
Transferred to Officers' Pension Fund	50,000.00	
Written off Bank Premises	150,000.00	
		330,000.00
Transferred to Rest		1,000,000.00
Carried forward to next year		322,079.94
		$2,252,079.94

GENERAL STATEMENT

30th NOVEMBER, 1925

LIABILITIES

Notes of the Bank in Circulation		$ 8,405,841.00
Deposits bearing interest, including interest accrued to date of statement	$66,470,771.16	
Deposits not bearing interest	18,087,993.09	
		84,558,764.25
Balances due to other Banks in Canada (daily exchanges)	1,649,092.57	
Balances due to Banks and Banking correspondents in the United Kingdom and Foreign Countries	1,399,496.88	
		3,048,589.45
Bills Payable		1,136,812.50
Quarterly Dividend, payable 1st December, 1925	150,000.00	
Dividends Unpaid	1,433.00	
		151,433.00
Letters of Credit outstanding		1,159,929.28
Liabilities not included in the foregoing		183,438.14
		$98,644,807.62
Capital paid up	$5,000,000.00	
Rest	7,000,000.00	
Balance of Profit and Loss Account carried forward	322,079.94	
		12,322,079.94
		$110,966,887.56

ASSETS

Current Gold and Silver coin	$ 438,930.82	
Dominion Notes	6,660,730.00	
Deposit in the Central Gold Reserves	3,055,866.64	
Deposit with the Minister for the purposes of the Circulation Fund.	249,267.85	
Notes of other Banks	592,850.00	
United States and other foreign currencies	77,667.79	
Cheques on other Banks	8,107,338.51	
Balances due by Banks and banking correspondents elsewhere than in Canada	3,364,713.79	
Dominion and Provincial Government Securities, not exceeding market value	19,103,644.07	
Canadian Municipal Securities and British, foreign and colonial public Securities other than Canadian not exceeding market value	7,263,852.11	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	3,608,908.27	
Call and Short (not exceeding thirty days) Loans in Canada, on Bonds, Debentures and Stocks and other securities of a sufficient marketable value to cover	6,601,261.27	
		$59,125,031.12
Other Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful Debts	$47,058,744.12	
Non Current Loans (estimated loss provided for)	236,523.61	
		47,295,267.73
Mortgages on Real Estate Sold	64,911.79	
Liabilities of Customers under Letters of Credit, as per contra		1,159,929.28
Bank Premises, at not more than cost, less amounts written off		3,321,747.64
		$110,966,887.56

W. G. GOODERHAM, *President.*

JOHN R. LAMB *General Manager.*

TORONTO, *30th November*, 1925.

AUDITORS' REPORT TO THE SHAREHOLDERS

To the Shareholders of The Bank of Toronto:

We have examined the books and accounts of The Bank of Toronto at its Head Office and have been furnished with certified returns from the branches, and certify that the above statement of liabilities and assets as at 30th November, 1925, is in accordance therewith and in our opinion discloses the true condition of the Bank. The Bank's investments and the securities and cash on hand at the Head Office and at the Toronto and Montreal Branches were verified by us as at 30th November, 1925. We have received all the information and explanations we have required, and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank.

D. McK. McCLELLAND *of the firm of Price, Waterhouse & Co.*

JNO. J. ROBSON *of the firm of Robson, Richie & Co.*

TORONTO, 22nd December, 1925.

The following Directors were elected: W. G. Gooderham, William Stone, Lt.-Col. A. E. Gooderham, Col. William I. Gear, Archibald H. Campbell, John I. McFarland, Joseph Henderson, John Macdonald, Brig.-Gen. F. S. Meighen, Paul J. Myler, James D. Chaplin, M.P., Thos. F. How.

At a meeting of the new Board, Mr. W. G. Gooderham was elected President and Mr. Joseph Henderson Vice-President.

Bank of Toronto Annual Report Very Satisfactory

The Annual Meeting of the Shareholders of The Bank of Toronto Was Held Wednesday, January 13th, at the Head Office, Toronto. The Addresses of the President, Mr. W. G. Gooderham, and of Mr. John R. Lamb, General Manager, Were Given as Follows:

PRESIDENT'S ADDRESS.

In rising to review briefly the year just closed, I am glad to find cause for satisfaction and thankfulness rather than for discontent and depression.

Foreign Situation:

When speaking to you a year ago I remarked on the improved outlook abroad which at that time seemed apparent. There has followed, during the past year, in the Locarno agreements, a further advance in the direction of lasting peace in Europe.

The new determination for peace and co-operation rather than for distrust and conflict, which made these agreements possible, is significant of the trend of thought in Europe. We can only hope that so great an example will be followed by other nations.

In the economic field the re-establishment by the United Kingdom of the gold standard was undoubtedly the event of the year. This action under all the circumstances existing at the time, and following the refunding of her war debts to the United States, can only be regarded as a great example of financial integrity and courage, and an inspiration to us in dealing with our relatively small difficulties.

Domestic Situation:

In our own country fair progress has been made in many important respects. Our primary industries have, for the most part, enjoyed a good year, with increased output and fair profits.

Field crops are valued at over one billion one hundred million dollars, the highest since 1920. To this splendid total our wheat crop of four hundred and twenty-two million bushels—the second largest and the most valuable in our history—contributed over four hundred and sixty-six million dollars in value. The total grain crop is estimated at eight hundred million dollars—19% over 1924.

Our total production of minerals for 1925 is estimated at two hundred and twenty-eight million dollars—nearly 10% over that of 1924. Gold production continues to increase at the rate of five to six million dollars yearly. Pulp and paper continues to show a satisfactory increase, production of paper for the ten months of 1925 being 11% over the previous year, and very nearly equal to United States production for the same period.

The one important exception to the general trend in 1925 is the lumbering industry which is still suffering from over-production, particularly in British Columbia. Periodical over-production is inherent in the lumber business, and can be avoided only through co-operation and regulation from within.

Building construction shows an increase, particularly during the latter part of the year. The condition of the building industry is one of the best barometers of business conditions generally.

Our foreign trade for the 12 months ending 31st October aggregated over two billions of dollars, an increase of one hundred and sixty-eight millions for the year, and only exceeded during the years of inflated prices, 1918 to 1921.

Our exports make a particularly good showing—an increase of one hundred and twenty-two million dollars, while at the same time imports increased forty-six million dollars.

Banking assets in Canada have reached the huge total of two billion three hundred and forty million dollars. Deposits in Canada, other than Government deposits, have increased in 12 months one hundred and sixty-eight million dollars.

Commercial loans in Canada show a decrease of seventy-six million dollars. The decrease in commercial loans is sometimes the subject of comment, as indicating lessened activity. This interpretation is not in harmony with the direct evidence available on this point. We are inclined to say that the decrease is the result of continued liquidation of debts, the public financing by industrial corporations, and the smaller volume of money used in the handling of our Western grain crops through the operation of grain pools.

Gross railway earnings for eleven months of 1925 are maintained and slightly increased, and at the same time a substantial saving in expenses was made, making the net profits nearly 30% over the previous year.

All these items to which I have referred are on the favorable side, showing, I think, that private enterprise is doing its part successfully. Corporations and individual business men are effecting economies and increasing their efficiency. When we come to matters controlled by our governing bodies, the showing is less satisfactory.

Taxation continues at the peak. If we are to make an impression upon our war debt we do not see how federal taxation in one form or another can be cut down in the near future. We, however, feel that the country will submit to the present level of taxation provided it is seen that our debts are being paid. A reduction of twenty-nine million dollars in the net federal debt is noted. It is a relatively small amount, but a movement in the right direction. Municipal taxation, never so high as at the present time, can be borne with less patience, since it is to a considerable extent, the result of extravagant administration.

Immigration continues to be disappointing. Before the war we received as many as four hundred thousand new arrivals in a year. The movement was necessarily suspended and has been difficult to revive. Our farmers suffered very severely from uneven deflation, and for this and other reasons there has been no rush to the land. Farming, however, is now more prosperous and attractive, and we hope for better results, although the movement may not be very rapid. New arrivals cannot be assimilated with good chances for their success quite so easily as was the case in earlier years.

Our National railways have made a better showing than in any year since they were taken over. This is a subject much discussed. There are those who express the opinion that the system will never be made to pay under any circumstances as a Government-owned property, while those who advocate the principle of State ownership and operation, advance the opposite view. But, whether as a public or a private enterprise, the obvious need is for increased business, which requires more population, which in turn means more production, more home consumption and greater foreign trade.

The thing to do is to build the country up to the roads by reviving the flow of people which was checked by the war, and by every other means in our power. This, we believe, is the only satisfactory remedy for the present situation. Conditions are favorable at the present time, and it can be done.

During the past few years we have passed through the most severe crisis in the history of Canada. The aftermath of the war brought problems of deflation in prices and in world trade such as have never before been witnessed, and from the effects of which Canada could not escape. In seven years we have witnessed over 14 thousand failures in this country, with total liabilities of over 325 millions. That we have survived without lasting damage to our financial and credit structure is largely because Canadian Bankng in the main was in a sound condition, and able to extend consideration and assistance to Canadian business, as well as to absorb the considerable losses which fell to their share. This situation is now well liquidated, and Canada is moving on into a new era, a new cycle, which should mean better trade conditions and better profits for all industry and in this forward movement the banks are prepared to do their part insofar as it will mean sound development.

As a country we have many big problems to face, but none more important at this time than that of Government. Most of our big questions are directly connected with Government administration and policies, and it is probably not too much to say that our future will be made or marred by the legislative acts of our Parliamentary representatives during the next few years. The situation is one deserving the very serious study of every patriotic Canadian.

Turning now to our own immediate affairs, you will see that we have had a reasonably good year; our position is strong, and we are able to enter upon another period with confidence in our ability to give the increasing number of our customers the best possible banking service.

The provisions of The Bank Act require that one of our auditors be changed every two years. Mr. J. J. Robson of Montreal, who has acted as one of your auditors for the past two years is retiring this year, and the name of Mr. A. B. Shepherd, C.A., of the firm of Peat, Marwick, Mitchell & Company, will be proposed in his place.

Mr. Robson has given excellent service during his term of office.

Before moving the adoption of the report, I will ask the General Manager to address you, giving you more particular information with regard to the important items in the statement which has been submitted to you.

GENERAL MANAGER'S ADDRESS

The Annual Statement presented to you to-day is the Seventieth issued by this Bank since its incorporation in 1855.

Having passed three score years and ten, it may be appropriate at this time to look back into our history and note the progress which has been made.

The first fifty years cover a period of comparatively small things in banking, and as late as 1905 our total assets stood at only thirty-two million dollars. We have now reached one hundred and ten million dollars, and this growth has been achieved without mergers or amalgamations with other banks. It may come as a surprise to some of you to learn that in the comparatively short period of twenty years we have multiplied our assets nearly three and a half times. Net profits have not increased in like proportion, but in the same interval our dividends have been increased from 10% to 12%, we have been able to take care of the higher expenses and taxes to which we are subject in these days, and also to provide reasonable depreciation on our real estate and other assets.

The policy of adding little by little from our earnings to our Reserve Fund, which has been consistently followed over a long period of years, is amply justified by present day conditions. It is the savings of past years rather than the profits of the present which make our position and earning power comfortable to-day.

Deposits:

You will notice that our deposits have increased during the year by approximately seven million dollars, represented by a general increase in accounts at practically all our branches.

It is interesting to note that a fair proportion of this increase is supplied by Western country branches—the direct result of good crops in that part of the country and good prices which have prevailed both this year and last.

Liquid Assets:

Cash and other readily available assets, including call loans fully secured by high-class bonds and Stock Exchange collateral, together with securities owned by the Bank, amount to over fifty-nine million dollars, or 59.94% of all liabilities to the public.

Securities:

Investments and securities on the date of the statement amounted to close to thirty million dollars, which is higher by seven million dollars than a year ago.

These investments are of the highest class, being largely Government and Municipal obligations, and give us a good average return during the period of deflation and readjustment through which we are passing. I am glad to say, however, there are indications that we are moving, perhaps slowly, towards greater business activity in this country, and when the time comes we shall gladly reduce the amount of our investments and place the funds as required at the disposal of sound, well-managed Canadian enterprises, where they will more effectually assist in the development and expansion of our trade.

Commercial Loans:

Other current loans and discounts in Canada, after making full provision for all bad and doubtful debts, stand at forty-seven million dollars in round figures. Three million dollars under a year ago. This decrease is almost entirely in the Western Division, that section of the country having used less money than during the previous year.

We are glad to be able to again report that our loans and discounts are exceptionally clean and good. The amount of unsatisfactory business on our books is at the minimum, and losses during the year have been very small.

Bank Premises:

The total under the heading of Bank Premises stands at $32,000 less than a year ago. We have, during the period, acquired suitable premises at Calgary, and have erected creditable buildings at Sudbury and Waterloo, Ontario. These expenditures have been absorbed by our appropriations for depreciation.

We now own our own buildings at 124 points out of a total of 166.

Profits:

The Profit and Loss account speaks for itself. There has been a moderate gain over the previous year, and we have felt justified in transferring one million dollars to rest, this account now standing at seven million dollars, or 140% of the paid-up Capital.

The book value of your shares now stands at 246. I can only add that this figure represents conservative valuations, and that your Bank is in a sound and prosperous condition.

In these days you are flooded with facts and figures, and economic reviews, and I want to add as little as possible to the indigestible mass of such material. Perhaps, however, you will be interested in a few comparative figures reflecting the progress of Canadian business over a period of twenty to twenty-five years:

	1905	1925
Foreign Trade	$453.400,000	$2,090,000,000
	1901 Bushels	1925 Bushels
Wheat Production	55,000,000	422,000,000
	1901	1925
Mineral Production	$ 47,000,000	$ 228,000,000
	1901	1923
Forest Products	$ 51,000,000	$ 197,000,000
	1910 H.P.	1925 H.P.
Waterpower Development	975,000	4,290,000
	1905	1925
Banking Assets	$767,000,000	$2,882,000,000
	1901	1925
Population	5,371,000	9,500,000

Dollar values have, of course, changed during this period, but after making allowance for this, it is quite clear that we have been by no means standing still.

One cannot estimate the advance which will be made in the second quarter of what we choose to call Canada's century. It should be greater than the past quarter, but will be just what we make it, and, in particular, what our statesmen make it.

As a country we have difficulties to meet, and the need is for strong and independent leadership and such management of our public affairs as will assure balanced budgets, lower taxation, and at the same time bring about steady and substantial reductions in our national debt. All this is by no means impossible, nor beyond the ability and resourcefulness of our statesmen, if untrammeled by considerations of party and office.

Questions of political controversy are best avoided on an occasion of this kind, but I believe our political situation is the one question of grave concern. Except at the outbreak of the war in 1914, there has not been a time when the responsibilities of our statesmen were heavier, nor a time when there was greater need that every question should be considered and decided from the standpoint of good business rather than from the standpoint of good politics.

In closing my remarks, I venture to suggest that in any event we should not fall into the habit of studying our difficulties through the small end of the telescope, and viewing our advantages through the big end. We should, instead, value all factors in our situation fairly, and carry on resourcefully and cheerfully to accomplish the great destiny in which we all believe.

Inspection:

The Head Office and branches have been inspected during the year by our own staff and your auditors, Mr. D. McK. McClelland, of Price, Waterhouse & Company, and Mr. J. J. Robson, of Robson & Ritchie, Montreal, whose certificate is appended to the statement, have made their customary thorough examination of our affairs.

Staff:

It is always a pleasure to refer to the work of the staff. The good results which we are able to put before you to-day are largely due to their enthusiasm and loyalty, and their sense of duty to the Bank and to the public.

During 1925—

The Canada Life Assurance Company

(Established in 1847)

Made the following substantial progress:

		Increase.
Total Insurance in Force increased to......	$578,660,000	$92,981,000
Total Assets increased to...............	114,461,000	11,253,000
Reserves for Protection of Policyholders....	100,296,000	11,174,000
New Assurances paid for in 1925..........	128,563,000	23,034,000
Surplus earned in 1925..................	4,576,000	1,035,000
Total Income for 1925...................	30,127,000	5,399,000
Dividends to Policyholders in 1925........	4,585,000	1,688,000
Total Payments to Policyholders in 1925....	13,083,000	2,678,000

Above, in brief, are the results for 1925, as shown by the Financial Statement.

Below are some of the noteworthy achievements of the year:

1. Dividends on many classes of policies have been increased.
2. Made the largest surplus earnings in the history of the Company, extending over seventy-nine years.
3. Continued to improve service to public by special educational training of field force.
4. Placed more insurance with present Policyholders than in any other year, and increased public interest in Monthly Income, Business Insurance, Salary Budget and Group Insurance.

(A Complete Annual Statement Will Be Mailed Upon Request.)

WINTER PROBLEMS ON THE HIGHWAYS

Chicago Convention Will Discuss Plans for All-year-round Transportation

NEW YORK.—So great has become the mileage of hard surfaced roads that the matter of snow removal and keeping the highways open for automobile traffic during severe winter weather has become a problem calling seriously and loudly for a satisfactory solution. American, Canadian and South American highway officials, engineers, contractors and material men, meeting in Chicago January 11 to 15, inclusive, to the number of 30,000 or more, will devote an entire half day's session to this question in the hope of arriving at more economical and expeditious methods of snow removal from the highways during the winter months. The Chicago convention will be under the auspices of the American Road Builders' Association.

The American Automobile Association for some time has been agitating for more thorough and expeditious methods of snow removal. The United States Bureau of Public Roads and various state highway departments have also been wrestling with the question and the discussion of the subject at Chicago comes in response to the demand for a thorough airing of the subject.

"The paved highways of the country," said C. M. Upham, convention manager for the American Road Builders' Association; North Carolina State Highway Engineer, and Director Highway Research Board, National Research Council, "have become great commercial arteries. A large part of the tonnage of all railroads is transported over the highways in course of assembly and distribution. The number of passengers now transported over our roads exceeds that of the rail lines. So great now has become the winter highway transportation that it is imperative that after a snow storm, the snow be removed and the road be reopened to traffic with the least possible delay. This work involves the use of considerable equipment and the employment of a large number of men at considerable expense. The problem of snow removal is now one of the most serious confronting officials and engineers in charge of highway maintenance. We hope at the Chicago convention to have this subject thoroughly discussed with a view to smoothing out many of the difficulties now encountered. We all want our highways to be 100 per cent. efficient in winter as well as summer."

Economic Sense Essential to Exclusion of Politics

(Continued from page 1)

our national debt. The burden of taxation can be lightened only if the necessity for rigid public economy on a scale commensurate with the needs of the situation is resolutely faced."

The National Railways

In regard to the National Railways Sir Herbert said:

"Under present conditions there is not sufficient traffic to enable two great continental railway systems to operate competitively with financial success. Canada has advanced to the Canadian National Railways in the last six years an amount averaging over $100,000,000 annually, amounting in the aggregate, according to government and railway reports, to the sum of $710,943,247, which is greater than the entire capitalization and bonded indebtedness of the Canadian Pacific Railway. The country simply cannot afford the present rate of expenditures. While the gross earnings have improved during the latter part of the past year, and the net operating results substantially so, there have been enormous capital expenditures, and there appears to be very little prospect of any material reduction in the annual deficit, which for the year 1924 amounted to $55,757,481. Some means must be found to overcome this annual railway drain on the federal treasury, which already absorbs more than the entire revenue from the income tax, and to avoid further capital expenditures, which, under present conditions, are not likely to be productive of additional net earnings sufficient to pay interest on their cost. I am convinced that the consolidation of our two great railway systems for the purposes of administration and operation on a basis that would not penalize the past efficiency and economy on the part of the privately-owned railway, is the only practical means of quickly eliminating the present enormous loss."

The Tariff and Prosperity

Speaking for the tariff as a factor in the country's prosperity, Sir Herbert continued:

"I approach the question of tariff policy with reluctance. There is not lacking evidence that recent fiscal policy has had a disturbing effect on established industries, and the consequent industrial unemployment has been the chief factor in the southward exodus. A great manufacturing industry has been built up in Canada over a long period of years. Large sections of our population are supported by industrial wages or indirectly dependent on industrial activity. There is need of a scientific study by a properly constituted board, to evolve and keep revised an adequate and stable tariff for protection of those industries which it is in the national interest to foster and develop. As I said last year, increased protection is in many cases unnecessary. Stability is the thing to be desired. There is also the ever-present necessity of revenue which, if not collected in the form of customs duties, must be raised by burdensome methods of direct taxation. Successive reductions in the Canadian tariff since 1919 have not only been a factor in our industrial depression, but have made it necessary to depend more upon other sources of revenue, such as the income tax, the sales tax, in which the cost of collection is unfairly imposed upon the manufacturers, and other additional and irksome taxation under the War Revenue Act."

ONTARIO APPLES IN ENGLAND

Noteworthy success in the British markets by Ontario apples is reported to the provincial government by a London selling agent, who handled some 3,000 of the 25,000 barrels of apples which were sent overseas under the agricultural department's auspices. "The Ontario fruit," the agent cabled, "was exceptionally choice, leaving nothing to be desired either as to quality or condition. I have never seen better Ontario fruit in all my long experience. It met with keen bidding."

BIG MEN NEEDED

Chatham News:—What are needed at Ottawa are a few men who are big enough to consider country before party, and who are willing to sink personal differences and grievances when there is a need for statesmanship and united endeavor to forward the best interests of the people as a whole.

Western Ontario's Financial Power is Great and Growing

Foundation Laid for Almost Unlimited Expansion in Manufactured Output and Use of Natural Resources — Facts as to Wealth and Progress Leave No Room for Pessimism

By D. McEACHERN,
Secretary, The Huron and Erie Mortgage Corporation and Canada Trust Company; Treasurer, London Chamber of Commerce.

Upon the success of agricultural pursuits in Western Ontario chiefly depends the prosperity of the cities and towns within its borders, and the urban dweller — whether business man, mechanic, clerk or housewife—is or should be keenly interested in crop results and prevailing rural conditions.

On the other hand, perhaps to a lesser degree, the rural communities of Western Ontario are dependent upon the nearby-by highly industrialized centres of population for markets, where much of their produce can be sold. The growth of industrial activity in these centres, therefore, means much to the farmer.

By mutual agreement, the following 14 counties comprise what is known as Western Ontario:

Brant, Bruce, Elgin, Essex, Grey, Kent, Lambton, Middlesex, Norfolk, Oxford, Perth, Waterloo and Wellington.

This portion of Canada claims over 800,000 inhabitants. Fifty-four prosperous cities and towns dot its surface, and six million acres of fertile, tillable land, second to none in the Dominion, produced in 1924 from field crops alone over $122.000,000 cash. A higher field crop value will result from 1925's operations, according to government agricultural representatives.

Growing Wealth

News of present-day conditions recently gleaned from correspondence with prominent farm and town residents of many parts of Western Ontario, interspersed with statistics from government sources, reveal an exceedingly pleasant state of affairs. A striking absence of gloom or depression is apparent throughout every report, the increase in the wealth of the inhabitants within the past year or two being frequently contrasted with the financial struggle which took place in most communities a few years ago, when costs were high and prices of farm produce receded so sharply.

If space permitted, stories could be told by the score of young farmers who four or five years ago purchased land and implements (not to speak of automobiles) when prices were at their highest. Despite the burden of heavy mortgages and resultant interest they have succeeded in meeting their payments promptly, keeping free of general debt and in many instances reducing the principal of their mortgages. This was mainly done by genuine industry and intelligent management which, as usual, precedes success.

In sharp contrast to the prosperity prevailing in Western Ontario is the present state of affairs in many rural sections of the United States. Recent dispatches reveal a widespread dissatisfaction among American farmers in the Middle West. the Far West and the South. Depression of prices and high freight rates are among the chief subjects of agricultural protest across the border.

Statistics usually make dry reading. Nevertheless, it may be interesting to know that the farmers of Western Ontario own 42 per cent. of the cattle of the province; 44 per cent. of the horses, and 46 per cent. of the estimated wealth of the province as represented by farm property. implements and live stock. In 1924, 62 per cent. of Ontario's fall wheat was grown in the 14 Western counties.

Low in Chattel Martgages

A striking indication of prevailing prosperity is discovered by a search of chattel mortgage records. Over the whole of Ontario 13,000 chattel mortgages are registered. In Western Ontario only 320—or 24 per cent. of the total—of these documents are in force. In the amount of dollars involved the showing is equally as good.

The County of Middlesex heads the list for the whole of Ontario in the number of cattle owned. over 144,000 being in that county. The County of Grey is a close second, with 138.000. the County of Huron being third in Ontario with 131,000.

Always famous for their dairy products. the counties of Oxford and Norfolk have in 1925 excelled themselves. Wheat and cattle prices have practically banished mortgage sales from the counties of Grey and Bruce. and a general tone of prosperity is reported from every section of the north country.

Land Sales Resume

It is interesting to find that the County of Huron holds the distinction of having the smallest number of chattel mortgages of any county of Western Ontario, with the County of Perth a close second. Farmers of Huron—taken as a whole—are estimated to have derived from the 1925 crop 50 per cent. higher returns than in 1924. Land is once again beginning to change hands after a somewhat inactive period.

Waterloo County now heads the list throughout the whole of Ontario for high returns from fall wheat, an average crop per acre of almost 35 bushels having been secured in 1924. It is expected that in 1925 the market value of Waterloo's wheat crop will prove in excess of one million dollars.

Probably the richest area in Canada is to be found in the counties of Kent and Essex. The possibilities of the soil in this sunny southern territory have just begun to be appreciated.

It is stated on good authority that the farmers of these two counties will from the crop of 1925. realize over $5.000.000 from their tobacco. It is further claimed that the tobacco-growing industry is just in its infancy in Canada. the English market having discovered by reason of good work at the Wembley Exhibition that South-western Ontario can produce the best tobacco grown: as a result huge orders are being received at good prices.

The value of the sugar beet crop of the County of Kent for 1925 is estimated at over $1,350,000, while as an instance of ahead of season production, early potatoes planted around the first of April last and marketed on the first of July, netted Kent farmers over $70,000. The value of last season's bean, onion and seed corn crop is reported at over $400,000. In 1924 Kent County had the largest acreage under fall wheat of any county in the province and the farmers pocketed $2,800,000 as a consequence.

Western Ontario is the home of five large, well-managed life insurance companies, two with head offices in London and one in Waterloo. The combined investments of these companies total over $100,000,000. Several of the companies were established more than half a century ago, and all are expanding rapidly and transact a nation-wide business.

In mutual fire insurance the farmers of Western Ontario have taken the lead over all other sections of Canada. No less than 54 thriving farmers' Mutual fire insurance organizations exist here out of a total of 71 over the province. These 54 companies have at risk over $400,000,000, while the 17 companies operating elsewhere in Ontario have a policy issue of but $94,000,000 dollars.

Western Ontario monopolizes the weather insurance field. There are three weather companies or "wind" insurance companies, as they are frequently called, operating in Ontario and all have their chief offices here. The total amount at risk is over $36,000,000.

The Western Peninsula is also fortunate in claiming four flourishing cash mutual fire insurance companies, with over $186,000,000 at risk. These companies are old and soundly-managed institutions.

Head offices of eight trust companies, with assets under administration of more than $45.000,000, are stationed in Western Ontario. Five of these are in London, and one each in Brantford, Guelph and Waterloo. As the wealth of the province accumulates, these companies, which occupy a very necessary place in the community, will increase in size and usefulness.

In the mortgage loan corporation field, Western Ontario stands preeminent. Fifteen companies have their home offices here, and many of them transact business in several other Canadian provinces. Their investments show a combined total of over $70,000,000.

These institutions have performed a real national service since the early 60's, 70's and 80's of the past century by gathering the savings of the people on deposit and debenture, and lending the funds to Canadian home-makers on the security of first mortgages at reasonable rates of interest.

In addition to attracting funds from Western Ontario residents, many of these companies have important financial connections in Scotland, by means of which substantial sums have been secured for mortgage loaning purposes in the Dominion.

It is a noteworthy fact that the above-mentioned financial institutions which have their head offices in Western Ontario—life and fire insurance companies, trust companies and mortgage companies—all operate under strict governmental regulation and control.

There is no room for pessimism when facts as to Western Ontario are considered. The annual contribution of this part of the country to the wealth of the Dominion — although very difficult to measure accurately—is larger than is generally supposed, and every indication points to a steady growth of Western Ontario's wealth, financial influence and power.

Canada Life Wrote $128,500,000 New Policies

The Canada Life shared in the general advance of life insurance in 1925. Their increase in paid-for business over last year was 22 per cent.; the average of all companies was about 15 per cent.

The total income for 1925 was over thirty millions, of which $22,968,803 was premiums, $6,184,711 interest and $259,663 profit on the sale of securities.

An interest yield of over 6 per cent. per annum from a large and varied list of the highest grade of securities was obtained during the year.

Policyholders are interested chiefly in the stability of the company and secondly in its earning power. The contingency fund of $500,000 and a further investment reserve of more than that sum, combined with the general surplus of $7,232,411 and capital stock, make a total of over $9,278,000 available for the protection of policyholders over and above the regular policy reserves. The surplus earned was $4,576,011, out of which dividends to policyholders will be paid. $3,393,000 will be distributed in 1926.

The business done last year exceeded $128,500,000 in paid-for policies. In 1924, $105,259,000 of new business was written and paid for.

Imperial Life Wrote $33,000,000 Business

Assets of Imperial Life Assurance Co. now stand at over $35,000,000, while the company has total assurance in force of over $195,000,000. This latter figure represents an increase of some $19,000,000 over the figure as at the end of 1924.

The average rate of interest secured on invested funds was 6.23 per cent. Fifty-five per cent. of the total investments were composed of bonds and debentures.

The president, George A. Morrow, at the annual meeting referred to the benefits that the life assurance companies are now reaping from the improvement in investment prices. The present yield on assets is from one to one and a half points higher than can now be obtained from similar securities, while the market value of the companies bonds and debentures at December 31 was $900,000 above book value.

Mr. Morrow also reported an improvement in the western mortgage situation. Recovery was made by the company of large amounts of interest and principal that had previously been written off.

The company added considerably to its investments in stocks during the year, chiefly in Consumers Gas and bank shares.

Surplus earnings of the company for the year amounted to $1,557,490 and exceeded the best record of any previous year. As a result of these good earnings the company was again able to make a substantial increase in the scale of dividends to policyholders.

Some of the chief figures may be compared as follows:

	1924	1925
New insurance written	$33,424,317	$33,217,307
Premium income	6,162,528	7,033,261
Interest income	1,703,049	1,891,795
Total	$7,865,577	$8,925,056
Paid policyholders	2,857,183	3,111,364
Insurance in force	176,068,256	195,068,289
Total assets	31,259,195	35,047,398
Policy reserves	26,259,613	29,480,492
Policy surplus	2,998,120	3,256,647

Royal Bank Advocates Return to Gold Basis

In discussing the Canadian business situation before the shareholders of the Royal Bank of Canada, Sir Herbert Holt called attention to the necessity of a return to the gold standard, a point which has been consistently urged by the Royal Bank for some years. Referring to results attained in other countries, Sir Herbert said:

"Last year we called attention to the ease with which it would be possible for Canada to return to the gold basis. The movement which has since developed toward the stabilization of the exchanges of most of the influential nations of the world indicates the value which they attach to definitely linking their currencies with gold. Meanwhile the course of exchange between Canada and the United States has shown that the restoration of gold payments by this country would be a simple matter. I cannot conceive why there should be any delay in ending the present anomalous situation."

Advertising as a Factor in Decreasing the Cost of Selling

WASHINGTON.—Advertising was given a prominent place in the economy of marketing in a survey of market analysis, advertising and advertising mediums used as a basis of discussion at the general meeting of the National Distribution Conference, under the auspices of the Chamber of Commerce of the United States.

The special committee which made the survey, consisting of business men, economists and advertising experts, finds that advertising is a contributing factor in the reduction of marketing costs and, indirectly, in the reduction of prices.

This conclusion is based on first hand testimony from a large number of distributors as to the economic effects of advertising. The committee lists the advantageous effects of proper advertising as—

1. Decreasing the cost of selling.
2. Lowering the cost of production on account of increased volume.
3. Lowering prices to consumers and thereby raising the standard of living.
4. As a by-product, aiding in the education of the general public.

The committee finds, however, as a result of its investigations, that there are large wastes in advertising "due to the inadequate or uninformed study of markets and to the imperfect coordination of advertising with other activities." Various steps, among them the establishment of a market research planning body, designed to place advertising upon a more scientific basis, are proposed in its report.

The special committee will submit to the distribution conference these recommendations:

"A market research planning body should be established co-ordinating certain lines of fundamental marketing research, to be supported by organizations interested in the results of such work. This body should lay out and possibly underwrite market research projects with the purpose of reducing duplication of effort to its lowest terms and of establishing and maintaining high standards.

Careful Study Essential

"Advertisers, both present and prospective, in order to avoid unnecessary marketing waste, should base all advertising expenditures upon the results of careful studies of their merchandise, market media, copy and all other phases of their advertising. There should be careful co-ordination among their advertising, manufacturing and selling policies."

Distribution Census

The committee also urges that a census of distribution be taken as soon as possible and that prices and quantities of merchandise produced and in suspense be published periodically.

No Doubt as to Ad. Value

"Broadly speaking," the committee says in its report, "it would seem that whether the advertising creates an increased demand for products of a certain class, a wider distribution of such products—in other words, makes a new business, bringing about lessened distribution costs and lessened production costs owing to increased demands—there can be no doubt as to the value of such advertising, not merely to the concerns that pay for it but also to the public that consumes the goods."

AYLSWORTH IS NEW HEAD HURON & ERIE

Major Hume Cronyn Retiring From Managership of Loan Company

It is announced that owing to the many increasing demands upon his time, Major Hume Cronyn will shortly retire from the position of general manager of The Huron & Erie and Canada Trust Company, and will accept the post of president of both institutions.

The growth of these companies has rendered desirable — following the practice of large financial institutions such as chartered banks and insurance companies — the naming of a chairman of the board of directors, and this very important post is to be taken by Thomas G. Meredith, K.C. To this end a special by-law will be presented to the annual meeting of shareholders next month, and it is expected the changes proposed will be ratified.

For several years Mr. Cronyn has been president of the Mutual Life Assurance Company of Canada, and a few months ago he was tendered the presidency of still another of Canada's leading financial institutions. His associates upon the board of directors of The Huron & Erie and Canada Trust Company successfully prevailed upon him to remain with these institutions with which he has been so actively associated since 1907 when he became general manager.

Mr. Cronyn's successor to the post of general manager will be Morley Aylsworth, the present assistant general manager. Mr. Aylsworth is 43 years of age, and was born near Dorchester, Ontario, but has lived in London practically all his life. Over twenty-three years ago he entered the employ of The Huron & Erie Mortgage Corporation as junior clerk, and since that time has occupied in succession every post of importance. He was appointed secretary of both The Huron & Erie and The Canada Trust Company in 1912, and seven years later was further promoted to the post of assistant general manager. He is prominently connected with the Dominion Mortgage & Investment Companies' Association, and the Land Mortgage Companies' Association of Ontario, being on the governing board of both bodies.

He has had long and intensive experience in investment work; his wide knowledge of loaning conditions in both Eastern and Western Canada having been acquired by reason of frequent personal visits to loaning fields throughout the past ten years.

Dominion Bridge Company Feels Better Business

From Our Own Correspondent.

MONTREAL.—In moving the adoption of the report at the annual meeting of the Dominion Bridge Company, President G. H. Duggan confirmed the recent official statement of better business since the beginning of the current fiscal year. He stated that the report of the directors contained in the annual statement was made nearly a month ago, when the company's year was a little over a month old, and that the improvement then indicated has continued to such an extent that business written to date is several times greater than that of the same period of the preceding year. He pointed out that the business of the company, embracing, as it does, some contracts of large value, shows wide variation in the volume of business written from month to month. Conditions cannot be definitely gauged on the strength of such variations, but such indications of a fair volume of business are encouraging, and it is comforting, he stated, to have made a good start on the present year.

The stock of the company, which suffered a severe decline following the publication of the annual statement, has since strengthened on the statements of better business this year.

MUNICIPALITIES ARE SPENDING LESS TO LOWER THE TAXES

(Continued from page 1)

some time to come, if ever in their lifetimes, but it is also probable that at no other time in the history of the world have so many nations been forced by circumstances beyond their control to seek the cheapest market in which to buy. To these facts is due the hesitancy of the markets in the years since the war, for it does not take a very large body of maladjusted consumers to make business uncertain."

In discussing the domestic business situation, W. G. Gooderham, president of the Bank of Toronto, called attention to the fact that the National Railways have made a better showing than during any year since they were taken over. Mr. Gooderham pointed out that what was needed was increased business resulting from more population, hence more production and foreign trade, whether the road is operated under public or private control.

With regard to the much discussed matter of the decline in bank loan figures, Mr. Gooderham stated that this falling off is not so much a sign of lessened activity as of the continued liquidation of debts, "the public financing by industrial corporations, and the smaller volume of money used in the handling of our western grain crops through the operation of grain pools."

One of the factors in the business situation referred to by Sir Herbert Holt, speaking to the shareholders of the Royal Bank of Canada, was the power situation. The great expansion of the power industry in this country has resulted in a Canadian per capita power production nearly twice that of the United States, it was shown. Sir Herbert stated that the country is at last awakening to the real importance and value of power in the development of home industries, and he referred to the need of conserving these resources and prohibiting the export of power. The statement was made, in connection with the tax burden, that the total taxes paid in Canada in 1923 amounted to nearly twice the value of the Dominion's wheat crop, and practically one-quarter of the value of the Dominion's net production.

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This is a First Mortgage Real Estate Bond of the very highest class. The location of the property is on the N.E. corner of York and Adelaide Streets, Toronto, the independently appraised value of which when completed has been given at $766,535, or nearly twice the amount of the First Mortgage Bond issue.

The estimated gross earnings after the garage has been in operation for one year should be $136,886 per annum, and the net earnings $86,866, or more than three times the interest requirements.

It is our considered opinion that these Bonds are a thoroughly reliable investment. They rank as a Public Utility Bond secured by centrally located revenue producing Real Estate. The 7% interest yield, therefore, makes them doubly attractive.

Orders for Bonds should be sent in promptly, as the greater part of the issue has already been sold. Write for our special circular on this issue.

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, JANUARY 15, 1926

CANADA FOR CANADIANS

QUEBEC'S determination to conserve for the development of industry within the provinces her valuable water power resources, has again been emphasized in the speech from the throne delivered by Hon. Narcisse Perodeau, at the opening of the legislature last week. This policy is to be formally written in a provincial statute.

Quoting LaPatrie that "the only advantage arising out of the coal crisis is to be found in the fact that it has taught us measures which will enable us to be independent of our foreign neighbors," the Quebec Chronicle-Telegraph observes: "Possibly after we have made ourselves independent of the United States in the matter of coal, Canadians may pluck up a little courage to conserve their own natural resources which they are at present surrendering to American manufacturers for the proverbial song."

Canada's opportunity for the discharge of her war and other debts in connection with which her natural resources have been heavily mortgaged, is to develop those resources to bring the maximum benefits. These can only be secured by selling finished products, made by Canadian labor and financed so far as possible by Canadian capital. Prosperity will never be gained by the exportation of raw materials to other countries from which Canada must then purchase the goods into which they have been manufactured by foreign labor.

In appreciating the importance of conserving our natural resources for Canadian industry, Quebec is setting an example for the governments of the other provinces—and of Canada as well—to follow.

DO WE WANT SPEEDERS?

EVEN while there have been agitations against extravagance in public spending as affecting general taxation, the country's political history indicates that the voters like spenders when there is any chance of the spending being done in their own constituencies. Hence we find the Ottawa Citizen saying:

> One curious thing about Canadian politics is that the electorate keeps on returning the same old party leaders to parliament, although they have wasted hundreds of millions of dollars from the pockets of the taxpayers. Canada is studded from Halifax to Victoria with monuments to political extravagance like the Hudson Bay Railway and Port Nelson terminals. Some of the most glaring are forgotten, because they are hardly even seen, excepting by fur-bearing animals—which are themselves destined to be skinned.

That there is some hope in the situation, however, and that burdensome tax rates are having their effect in opening the eyes of the voters to the fact that they foot the bills in the long run, is to be found in the general defeat of money by-laws in recent municipal elections. In fact there are some indications that in regard to municipal expenditures the people are now straining themselves in the direction of economy and that improvements which are necessary or advisable may be unwisely deferred.

So far as federal expenditures are concerned, the demand for economy is becoming more general and more insistent, but unfortunately contributors to the Dominion exchequer have not as yet been brought to see that they foot the bills for the government's expenditures—even when they are in their own constituencies—just as they also foot the bills for their local municipal bodies.

When the people realize that they cannot have the people in other parts of the country pay for the improvements in their own constituencies without also paying for similar improvements in other constituencies—and that all government expenditures must be met out of taxes—then national spending may become just as unpopular as municipal spending has become. And then the people will elect their representatives not for what they can spend, but for what they can save.

A WELCOME FOR WORKERS

THE announcement of the British and Canadian Governments of the new plan of assisting immigration by giving to desirable immigrants the cheapest transportation rates on record will, without doubt, cause a heavy influx of settlers during 1926, in the opinion of the Winnipeg Board of Trade. It is pointed out in regard to the class of immigrants Canada should look for, that some of the most successful farmers in Western Canada are men who came to this country with little or no knowledge of farming. Dr. Seager Wheeler, recognized as one of the leading wheat producers of Western Canada, and winner of the world's championship for wheat, knew nothing of farming when he came to this country. The Hill Brothers, of Lloydminster, producers of the world's champion oats, had little knowledge of farming.

The records of successful farmers throughout the West, show that the man who is willing to apply himself to prevailing conditions can make a success of farming, without previous agricultural experience. Canada should not raise barriers against newcomers because of lack of knowledge of our particular industries. There is success here for those who are ready to learn and willing to work. It is for those who expect the government to provide them with an easy living, and who will make trouble if they do not get it that the immigration authorities should be on guard.

UNIFORMITY IN CONCESSIONS

DECLARING that The Financial Post "is undoubtedly right" in its contention that sound manufacturing projects are not usually found shopping for concessions, but are more concerned with finding a municipality that is well managed—assuring moderate taxes for both the companies and their workers—and located so as to give advantage in the handling of raw materials and shipping of finished products, the Brantford Expositor suggests that if fixed assessments are to be allowed they should be controlled by the legislature, so that one municipality could offer no more favorable terms than another.

The Expositor quite properly points out that unfortunately in the case of young industries, it has been the practice of municipalities to offer concessions in the form of fixed assessments and cities which have refused to make such concessions have seen new concerns pass them by. But we are of the opinion that if the history of industries, which have been established solely on the basis to taxation concessions granted, is studied, it will be found that many of them are to-day represented by the vacant factory buildings to be found throughout the country.

However, the Expositor's proposal, that the percentage that fixed assessments bear to the full assessed valuation should be a fixed one for the entire province—and for the whole of Canada for that matter—with a graduating increase over a period of ten years until the normal basis of taxation is reached, is well worthy of the consideration of our legislative bodies.

EDITORIAL NOTES

ACCORDING to Barron's Weekly the late Professor Mavor's "Niagara in Politics," is a legacy of usefulness to Canadians which contains "not a single sweeping epithet," the result being "the most damaging case against political operation of public utilities ever set down in print."

* * *

OUT IN Tacoma, Washington, the residents grow Christmas trees in their yards, and each year decorate the living trees rather than destroy their forests for merely decorative purposes. This is an idea which could readily be adopted throughout the greater part of Canada.

* * *

"MY OWN boy has been working as a farm laborer in the Province of Quebec since he left Eton, three years ago. He is back and has obtained a good position, but he tells me he is longing to return to Canada, and I certainly shall not stand in his way." Thus spoke Sir Burton Chadwick, head of the firm of Joseph Chadwick and Sons, shipbuilders and owners, Liverpool, in a recent address at the Canadian Chamber of Commerce, London, England.

* * *

ESTABLISHED through the generosity of the Massey foundation, the library at Hart House, Toronto University, has been closed because of the rapidity with which books have been disappearing. The shelves of the library were made freely accessible, without regulations and without a librarian, the only restriction being that books were not supposed to be taken from the room. This is just another indication that, because human nature is what it is, many of the splendid idealisms of those who would grant boons to the public cannot be put into practical effect.

THE REVOLUTION IN MERCHANDISING — No. 10

Wholesaler Performs Necessary Function

Present System of Distribution is Sound and Jobber is Necessary in it — He Will Not Disappear — Chain Stores do Their Own Jobbing

IN SOME of the articles in this series the present position of the wholesale merchant was discussed more or less at length. This article deals only with the jobber, his functions, whether he is an economic necessity or whether he can disappear to the advantage of distribution; also the changed problems with which he has to deal to-day.

If one took the trouble to delve into history it would be found that the wholesaler or jobber has existed almost since the first record of time. That he is still among us should perhaps be taken for granted that he is an economic necessity. At the Washington conference on distribution a few weeks ago when the problems of reducing selling costs were discussed by business men from all over the United States, the following verdict on whether the wholesaler was or was not required to-day was given:

> "The middleman (the wholesaler) who is often blamed for taking too large a portion of the consumer's dollar is performing a necessary function which is performed by some other agent even if he is eliminated, so that the expense of wholesaling remains."

The chairman of the committee giving this decision is the manager of the Commercial Research Department of Swift & Co., Chicago. The members included wholesalers, retailers, manufacturers, chain store operators, representatives of mail order houses, firms that sell from house to house and co-operative organizations. The committee also found that middlemen achieved economy in two principal ways. They acquired skill in performing marketing functions through specialization and they combined products made by different producers and manufacturers.

Even Chain Store Wholesaler

A chain organization with several stores must assemble the goods at some headquarters. They must be unloaded from cars, checked into stock, storage paid on them; they must carry insurance, and when ordered by the various stores checked out again and delivered. Such a company has to have a warehouse, employees to look after it and an accounting system to take care of incoming and outgoing stock. The invoicing executive work must be done. All this involves the use of motor and hand trucks, office equipment and the usual fixed charges that every wholesale business must take care of. These represent the jobbers' functions.

If all the business in the country is not to be done on the chain store plan (and in a previous article it was shown that this could not very well take place) we must have the jobber to take care of the individual merchant who will always exist. This merchant may buy a good many lines from manufacturers direct, especially proprietary lines. But when it comes to piece or bulk goods such as silk, cotton, raisins, prunes, rice,—these must be bought through some agency performing the jobber's work.

Essential in Dry Goods Trade

In the dry goods business it is recognized the smaller as well as larger merchants throughout the country could not get along very well without the wholesaler even if they bought most of the proprietary or branded goods direct from the manufacturer; and in this latter event the manufacturer has to look after credits and ship in small quantities to individual merchants.

But it is clear that from now on the jobber will not do the volume of business he has been doing in the past. There are manufacturers quite prepared to supply the larger merchants direct and take a chance on their credit. The development of the big department stores and mail order houses was the beginning of the "direct" movement. And they have proven themselves economically sound or they would not have existed and developed as they have. The chain stores have gone ahead for similar reasons. These two distribution outlets—one in the dry goods and one in the grocery field — have meant an increasing quantity and value of goods sold direct from manufacturer to retailer. The jobber has lost this business. He maintains that on the whole, the country is better off without the mail order house and the chain store. He reasons that he must exist to take care of certain trade and that if he is given all the business his costs can be reduced and the consuming public can purchase their goods at a lower price. As it is, he claims one section of the public is buying its goods at lower prices than another, which he does not think is a good thing for the country at large. It tends, so he claims, to attract the people from country to urban centres where most of the low price business is apparently being done.

However that may be, mail order businesses and the chain stores will continue to function, as there does not appear anything on the horizon that can put them out of business either by competition or by legislation.

Must Face Facts as They Are

And so the facts have to be faced as they are. The only conclusion one can come to at present is that there are too many jobbers for the business at hand. Their warehouses were mostly built years ago and extended during the height of the reign of the wholesaler. The pendulum now swings the other way and reductions and contractions are the rule. This is evidenced by the big wholesale grocery merger that took place in Ontario last August which united 25 houses with 36 or 38 warehouses. It is further evidenced by the recent purchase by one large wholesale grocery in Montreal of another—and rumor has it that there is to be a further cementing of interests in that centre. In the Maritime Provinces grocery wholesalers are openly talking amalgamation. If in the West at the present time a wholesale merger is not actually being discussed, certain it is that members of the trade there are watching with a great deal of interest the progress of events in the East.

Wholesalers in these fields believe that with fewer numbers they will have greater strength because of the more extended business that each can do. This will give them greater prestige in securing terms from the manufacturer. It also helps them to reduce expenses and thus to lower prices to the independent merchant so that he may compete with his chain rival on better terms.

Big Buying Group Formed

The recent formation of the Federated Distributors, Ltd. — a buying group of 24 or more fairly large department stores in as many Ontario centres — indicates the trend in the dry goods field. The men interested in this organization feel that if they can purchase to better advantage more goods direct from the manufacturer they will be able to meet on more even terms the mail order houses and the developing chains. They also have the competition of those retailers controlled by one wholesale house.

All of this shows the handwriting on the wall—fewer wholesalers.

It should be stated here that there are many manufacturers who rely almost entirely on the jobber for getting their goods into retail hands. These manufacturers are for the most part, old established ones who, through years of hard work, diligence and quality of goods, have made their products familiar to the retail trade. The retailer in turn has passed them on to the consumer with his approval. These manufacturers continue to secure their business through the jobber because they find this course the cheapest. Many of them, however, do not depend entirely on the jobber. They send out their own detail men to keep up the interest in their goods among retailers. This costs them a lot of money but, knowing the importance of the retailer in distribution, they believe it is well worth the cost. While these detail salesmen take orders from the retailer they are passed through the jobber that is specified by the merchant. On the other hand, manufacturers starting out with a new line must usually go direct to the retailer to establish it. The salesman of the jobber sells hundreds of lines and cannot give individual attention to very many in particular. New lines are always difficult to sell and he must show returns in actual sales and gross margins. This explains why the new manufacturer must at first seek practically all his business through the retailer.

Problem of "Desk Jobber"

Then, again, wholesalers who give a complete service — warehousing carrying a full line, sending out salesmen, helping to finance retailers—complain of the treatment of some manufacturers in also selling through what they call the "desk" jobber. The latter sometimes has little if any warehouse space and sells direct to retailers who are big enough to buy in quantity. He takes a brokerage giving the balance of the jobbers discount to the retailer. He thus establishes the wholesale price of the goods and the full service jobbers find it difficult to get business from the larger retailers unless they allow the same discount. Jobbers have pleaded with manufacturers for many years not to sell this type of jobber.

Wholesalers have other problems such as "hand-to-mouth" and even "piecemeal" buying and the "buying groups" who purchase from only one. But these have previously been deal with in this series.

Winnipeg Writes to St. John and St. John Replies

The Maritime Situation as a Westerner and a Maritimer See It

RECENTLY, a Winnipeg business man, a former Maritimer, wrote to a business friend in St. John. He asked for a summary of the Maritime province's present needs.

The Maritimer replied, setting down concisely and clearly the thoughts that are revolving in the minds of the people on the Atlantic coast.

The Financial Post has been able to get copies of the two letters. They are published below, because it is felt that these documents, written by business men and without thought of publication, may cover the situation better than forced or political articles or speeches.

Winnipeg to St. John

Winnipeg, Manitoba.
December 17, 1925.

Dear Sir:

When the Maritime delegation was here the members impressed us with a conviction that those provinces really had a grievance.

We enjoyed entertaining them very much at a dinner arranged by some of the members of the Maritime Association here. At any rate there is going to be an address at the National Club on the subject, about February. The National Club is a group of men—bankers, lawyers, professors and professional men and other business men. The sole object of the club is to gain a more thorough knowledge of Canada, its history, resources, peoples and problems. All the members have had experience more or less in public speaking—several active ones. The club has no political leaning either way.

I have a feeling that the troubles are not solely external. There are some very successful businesses of a nation-wide character in your provinces—for instance—Simms, Estabrooks, Ganongs, Moirs, Marven Biscuit, Maritime Fish, Connors Brothers and Lewis Connors'. You have expressed the belief that in the Bay of Fundy are fortunes yet unmade—how about building real tourist attractions on the famous Saint John River—golf courses, dancing pavilions, hotels, etc.?

Why not back up the West in their efforts to complete the Hudson Bay Railway and thus secure an all water route right into the heart of the West and put it all over Ontario in freight rates that way?

How about some of your specialized clay deposits, still undeveloped? Tell me, don't you think efforts in such directions would be better than trying to get unwilling traffic through the winter port It must be that Portland is more economical or it wouldn't be used. If the Dominion is bound to promises which are now impractical then they should be made to give some recompense. But to tax permanently the country as a whole to support an unnatural traffic through a section seems illogical and very unbusiness-like.

Why I'm writing you all this, is in the hopes that you will ask some one interested to send me all the dope which will help me to get a really intelligent grasp of the situation.

I would like to get a list of industries of the Maritimes—an outline of the undeveloped and partly developed resources—their attractiveness from an immigration standpoint — the welcome such immigrants get—the efforts which were put forth to get more industries the same as those which have proved successful, etc. I have a feeling that new industries which might rival those already there are not welcomed. If that is true, there is one of the worst reasons for depression.

I look forward to hearing from you soon and I hope I'm not putting you to too much trouble.

St. John to Winnipeg

Saint John, N. B.
December 22, 1925.

Dear Sir:

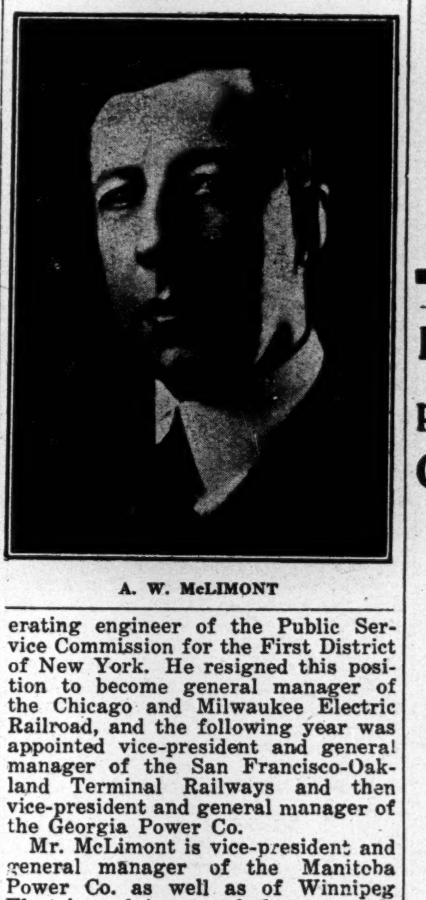
I have your very interesting letter of the 17th instant and could write you at very considerable length on the Maritime question. Your letter is particularly interesting to me because it indicated a certain feeling of antagonism between the East and the West. That of course is only natural. Our interests are quite divergent and it is in the endeavor to synchronize these interests that the present agitation and campaign is being carried on.

Going back in history, there existed three crown colonies, now the Maritime Provinces, Ontario and Quebec, and an unexplored region called the Northwest Territory. That was less than one hundred years ago. Ontario (Upper Canada) had its own government; Quebec (Lower Canada) had its own government and, while its interests were nearly mutual, they had a good deal of friction, even when they were brought together under one government and carried on for some time, but with so small a degree of success that eventually they broke apart again. About that time, to save the whole Canadian situation, the Confederation was proposed, to be called the Dominion of Canada, and the Maritime Provinces, with pretty much the same amount of population that exists here to-day, entered into the combination in order to make a success of the whole.

It was quite apparent to the fathers of Federation that Ontario and Quebec, larger and more populous, enjoyed some advantages in regard to markets which were not shared in by the Maritimes and,

(Continued on page 11)

Winnipeg Electric's New President



A. W. McLIMONT

A. W. McLimont, the new president of the Winnipeg Electric Co., who continues also as general manager, has won his right to that position by the manner in which he has brought that company from the low ebb of its affairs in 1917 into a position of comparative prosperity and has changed the attitude of the citizens from extreme animosity to one of acceptance and even friendliness. When Mr. McLimont took over the active management of the system nearly nine years ago his task was no enviable one. The fortunes of the company were at distinctly low ebb—the stock was selling around 42 compared with a high mark of 268 just five years before—as the result of competition from the city's own electric utility and from jitneys which were allowed practically free run of the streets as the result of a hostile attitude at the city hall and the attitude of the public was distinctly "thumbs down" in regard to the street railway service.

Recently a working arrangement between the company and the city's electric utility has been worked out, a by-law has been passed restricting the operations of the jitneys and the attitude of the public is favorable to allowing the company to earn reasonable revenues or to have the city take it over under the terms of the franchise.

Mr. McLimont was born in Quebec City, and is a member of one of the oldest of Canadian families. He began his career in the electrical industry when he joined the Bell Telephone Co. as a young man. He has since been associated with companies which have had to do with the building and operating of electric plants in many parts of the United States as well as Mexico, Central and South America. In later years he was electrical and operating engineer of the Public Service Commission for the First District of New York. He resigned this position to become general manager of the Chicago and Milwaukee Electric Railroad, and the following year was appointed vice-president and general manager of the San Francisco-Oakland Terminal Railways and then vice-president and general manager of the Georgia Power Co.

Mr. McLimont is vice-president and general manager of the Manitoba Power Co. as well as of Winnipeg Electric and is one of the outstanding citizens of the Western metropolis.

Personal

JOHN LESLIE, who has just been appointed vice-president and comptroller of the Canadian Pacific Railway, since 1914, has been the company's comptroller, and since 1918 he has been in entire charge of the company's accounting department in all its branches. His appointment as vice-president was not, therefore, altogether unexpected, and, it is stated, it will be an exceedingly popular appointment throughout the great institution, due in no small manner to Mr. Leslie's characteristic genial nature, as well as to the high standard of efficiency at which he has maintained his department.

Mr. Leslie was born in Toronto, and entered railway work as a junior clerk on the Toronto, Grey and Bruce Railway, and successively filled the positions of cashier, general accountant and general auditor. When that railway was taken over by the Canadian Pacific in 1884, Mr. Leslie became chief clerk in the accounting department under I. G. Ogden, and was later appointed auditor of disbursements. He was appointed assistant comptroller in 1908 and comptroller in 1914.

In connection with his appointment, Mr. Beatty gave the following statement:

"The action of the directors of the company in appointing Mr. John Leslie vice-president and comptroller is an appropriate and well-deserved recognition of the ability and fidelity to the company's interests of one of its older officers, and to the work of a department which, first under Mr. I. G. Ogden and then under Mr. Leslie, has been notable for its accuray and effectiveness. The directors are properly gratified that such a huge department has been administered by Mr. Leslie and his assistants with such satisfactory results and sprupulous regard for the company's interests."

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Investments for January

Since the first of December, well over $125,000,000 has been distributed in amounts both large and small throughout the Dominion. This aggregate is made up of funds received from maturing bonds and from interest and dividend payments. This is altogether apart from the increased disbursements on account of agricultural and other production in 1925. These latter disbursements are estimated at approximately $300,000,000 over 1924.

On account of the heavy distribution of funds at this period of the year and the volume of these funds seeking investment, there is always a brisk investment market in January. We particularly urge our clients to make selections as early as possible.

Copy of January List gladly forwarded on request.

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Investment Securities

Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Jamaica Public Service

J. M., Canada.—I would like to have your opinion of Jamaica Public Service 7 per cent. preferred stock.

The 7 per cent preferred stock of the Jamaica Public Service Company looks to us like a good buy which will return you a nice yield. Probably the reason for the high yield lies in the fact that the company is situated outside Canada but, in the case of this concern, this should have but little bearing on the price at which the stock changes hands, for it is situated in a British colony and is not, therefore, subject to certain conditions which have affected other Canadian investments abroad.

Outlook for Burt

W. M., Toronto.—About two years ago I bought 10 shares of F. N. Burt common (since split at the rate of 4 for 1) and which I could now dispose of at a considerable profit. These shares are worth now roughly $2,500, and on which I receive $120, yearly interest, but if I sold the Burt stock and invested the money in, say, the 6½ per cent. bonds of Quebec Southern Power, or the 7 per cent. preference shares of the St. Maurice Valley Corporation, I could materially increase the annual income return. I would, therefore, very much appreciate an expression of opinion from you as to whether you would consider it advisable to make such an exchange.

Your problem should be decided largely on the basis of your financial position and the class of investment which may be desirable. In the F. N. Burt common stock you hold what is regarded as one of the most attractive of the Canadian Industrial issues. However, it is at once evident that a stock of this kind, the price of which would reflect the earnings of a company sharing in general business activities, must be expected to fluctuate. The record of the company is a splendid one. Not only has it excellent mangement, but it is marketing a line of products for which there has been a constantly increasing demand. Looking to the future—and the price at the present level, probably discounts the future to some extent—the prospects would seem to be for continued prosperity for a time at least, but it should not be overlooked that should the first period of prosperity be followed by a period of depression, earnings might not be maintained.

With the Burt shares you not only have your present dividend income, but prospects of increased dividends and appreciation in market value. Against this is the other chance of a decline in the event of depression. If, therefore, in your position you are more interested in a definite and assured income it would be advisable to change to bonds of the type you mention. The interest on these bonds, representing your income, is a prior charge to common stock dividends and the same is true of preferred stock.

Four Good Mine Issues

Sidney, Halifax:—Would you give your opinion of the following northern Ontario Mines?

Vipond is in Porcupine Camp, Kirkland Gold in Kirkland Lake Camp, as is also the Tough Oakes. Premier Gold Mines are in Portland Canal area of British Columbia. Vipond and Premier are producing steadily, the latter paying, dividends at the rate of 32c. a share, or a yield of about 15 per cent. on the present market. Vipond is increasing its milling capacity, and should not be more than a year away from dividends. Kirkland Gold and Tough Oakes are both developing very nicely. Tough Oakes mill is operating, but the mill on Kirkland Lake Gold is closed for the present. All stocks are well regarded.

Canadian Car Preferred

L. H., Manitoba.—Kindly give me your opinion of Canadian Car & Foundry preferred stock.

As you probably know, the car-building industry in Canada is a feast or famine affair and the past year has been one of the famine periods. Naturally, then, the preferred stock of the Canadian Car & Foundry Company is speculative. Since writing us, you will have seen that the company has closed a contract with the Montreal Tramways for the delivery of 50 cars. There is the possibility that this order may presage further orders of rolling stock from the railroads, which, owing to their lower gross earnings during the first nine months of 1925, placed only small orders at infrequent intervals.

It seems to be generally accepted that the Canadian railways are in need of rolling stock; the shareholders in the company therefore have the hope that the bettered railway earnings should result in the placing of orders for more rolling stock.

Premier Gold Mines

Reader, Hampton:—I was thinking of a small investment in Premier Mines stock. Would you advise it?

Premier Gold Mines are paying dividends at the rate of 32c. a share at the present time. This gives a yield of about 15 per cent. The mine is in a very excellent position, having about 2,000 acres of mineral land with only a very small part of this mined Just recently the company increased the size of its mill and also its power developments and from now the profits should increase. The company has made it a point to distribute its earnings very generously among shareholders, and has been in the habit of paying bonuses now and then. The stock is very well regarded as being a high class mining purchase.

St. Maurice Valley

Inquirer, Oil Springs.—I would like to have your opinion of the 7 per cent. sinking fund cumulative preferred shares of the St. Maurice Valley Corporation, also the 6 per cent. first mortgage bonds, series (A).

You inquire about both the first mortgage bonds and the 7 per cent. preference shares in the St. Maurice Valley Corporation. These bonds are amply secured and earnings averaged over the last six years have been in excess of four times the annual interest requirements of the bonds. The earnings on the preference shares in the past six years have been equal to over three times the annual dividend requirements. As you know, the St. Maurice Valley Corporation is a merger of the Belgo-Canadian Paper Company and the St. Maurice Paper Company. Earnings available for both these issues have been made up from the earnings of the two component companies over the past six years.

There is a speculative value added to the cumulative preference shares in that they carry with them a bonus of one-fifth of a share of no par value of common stock. We would say that you would be better advised either to purchase bonds or the preferred stock, according to your requirements rather than purchasing preferred and bonds. As we do not know your financial position, we are not in a position to say which would better fill your own individend requirements.

Goldale

H. B., Toronto:—Could you let me know your opinion of Goldale 35 to 40 cents?

We regard Goldale Mine shares as a speculation of merit. The company owns 228,000 shares of Coniarum Mines, which is located north and east of the McIntyre and Hollinger Mines. This would work out as being about one share of Coniarum for every 12½ shares of Goldale stock issued. Averaging this out with the present market on Coniarum, you will find that you are paying two or three cents a share for an interest in Goldale's other holdings. These latter consist of a substantial block on the north and east of the Dome Mines, and another block similarly related in position to the McIntyre Mine. In Delora township they have another very large block of property.

The company are not an operating concern and of course the future of these properties rests in the company holding them until they get an attractive offer from some operator.

Stock Exchange Charges

W. S., Brantford.—Should be much obliged if you would give me information as to the purchase of shares on margin on the Toronto Stock Exchange. In particular I should like advice on the following point: (1) What is the minimum amount of margin usually required? ((2) What is the rate of interest charged on the bonds? (3) What is the charge made by the broker for selling stock?

The margin called for by investment houses belonging to the Toronto Stock Exchange will usually be found to be 15 to 20 per cent. of the market value of the stock. There is no set rule on this point. The amount may depend on the policy of the house and it may have a definite relation to the stability of the particular security. As a matter of policy the trader should not object to substantial margins because they mean a greater element of security for himself and other customers of the house.

The current rate of interest charged on balances above margin is seven per cent. This rate seldom fluctuates.

The commissions charged by the various members of the exchange are fixed by the exchange. On shares selling from $5 to $10 to $125, they are 30 cents a share. Above that figure the price is 12½ cents. In the case of mining stocks, shares valued from 25 to 50 cents a share command a commission of $7.50 per thousand shares, while shares valued at $75 to $100 on the market, have a charge of $15 per thousand. These charges scale up and down for shares selling at lower or higher prices.

Copeland-Chatterson Improving Position

Attention has been called by the president of Copeland-Chatterson, Ltd., R. J. Copeland, to the article appearing in The Financial Post of Jan. 1st, which was in reply to an enquiry from a shareholder of the company.

The financial position of the company, as shown by the auditor's statement, by Wilton C. Eddis & Sons, shows improvement and strength, and the trading account for year just ended will show a substantial profit.

Had these facts been available at the time a different reply could have been made to the inquiry referred to, which in view of the actual situation would seem to have been tinged with animosity.

This will serve to correct any impression reflecting on the company's position which may have been created by the previous article which dealt with the technical position of shareholders in general rather than with those of this company. Mr. Copeland explains that the company has at all times been willing to give information regarding the company's position as well as the annual statements.

Advice to an Investor With Seven Thousand Dollars

A. R., Nova Scotia.—Having some $7,000 to invest recently, I wish to secure the best advice possible before doing so, keeping in view security, income, and inheritance tax. Please let me know which if any, of the following would meet with your approval: Royal Bank, Dominion Textile, Southern Canada Power, pref., Shawinigan, Brantford Cordage, pref.; United Securities, pref.; St. Maurice Valley Corporation bonds and preferred stock. I am retired and hold already Dominion, provincial and municipal bonds, some good stocks, and some stocks not so good.

The securities which you have picked are all excellent. As you are retired, safety of principal coupled with a fair return are the two things which, we believe, you should look for in your investments.

Take your selection of Shawinigan. This is an excellent stock, but yields only about 4¾ per cent. We believe that over a period of years there will be a decided appreciation in the stock, but this is possibly not what you are looking for. You might prefer to buy a first class bond which would return you a higher yield. The St. Maurice Valley Corporation bonds would do this for you but in obtaining the higher rate of interest you must forego the attractive speculative value in a stock like Shawinigan.

The 6 per cent. preferred stock of the Southern Canada Power would be a good purchase. It will yield you practically 6 per cent. and the stock in the Royal Bank of Canada will yield you around 4.8 per cent. at present prices. One of the attractions of this bank's stocks lies in its go-ahead management. Stock in the Dominion Textile Company will yield you 5½ per cent. at market prices and is undoubtedly attractive in view of the wonderful financial strength of the company and the generally bettered conditions in the cotton textile trade during the last few months.

Brantford Cordage is an excellent company and the preferred stock should prove very suitable to your requirements.

The preferred shares of the United Securities are excellent; they pay 6 per cent. and at present are changing hands around 103. You cannot expect much increase in the price of this stock.

We believe the St. Maurice Valley Corporation bonds would possibly fill your requirements better than the preferred.

If you have any funds upon which you would be willing to forego present interest yields to a certain extent, and await future increases in both dividends and market prices, we believe that many of the power companies would prove attractive to you.

On the other hand, if your only requirement is safety of principal coupled with a good return, you might be interested in the bonds of the Manitoba Power Company, which pay 7 per cent. and are at present changing hands at around 103. This company until recently was handicapped through a shortage of power, but now it appears that it will have to add to its capacity before very many months have passed.

Winnipeg Writes to St. John and St. John Replies

(Continued from page 10)

so that all might be equal, it was proposed to carry on the Intercolonial Railway as a jointly owned proposition under the direction of the New Federal Government with freight rates so adjusted as to equalize the situation, and you must bear in mind that at that time, there was no Dominion of Canada worth the name, outstanding, beyond the easterly shores of Lake Huron.

Time has gone by and development has taken place with the result that there are now four large, populous and powerful provinces, west of Lake Superior, with the net result that the Dominion of Canada is a strip of territory, three thousand miles long, bordering its whole length on the United States, and having an average depth of only two hundred and fifty miles. That international border line is also a high tariff wall and the problem arises how to drive trade which normally and geographically should line north and south of the whole length of that two hundred and fifty miles, into an easterly and westerly flow.

The Dominion of Canada is a part of the British Empire and while this country down here is full of people who would, I feel, welcome secession and I feel that if the Maritimes succeed and get their just dues from the other provinces that we would come out of the racket owning a very considerable railway mileage and quite a balance of cash in our pocket, after absorbing our proportion of the Dominion indebtedness. You must remember that while we were given the Intercolonial Railway, there was a good deal of money spent on canals, and waterways, particularly in Ontario, the cost of which also came out of the common pocket and there is a tremendous railway mileage from Montreal west which has also been paid for by the Dominion Government.

In brief, what the Maritime man has in his mind is you must treat us as one of the family or else give us our liberty.

You say that it is not economic to export Canadian products from the Maritime Province ports, while Portland, Maine, and other New England ports are available, and in that statement I entirely agree with you, but there are a great many things about this Federation of ours that are not economic. As a matter of fact, the most economic thing that we could do would be to send a delegation down to Washington and say, take us over and make us part of the United States—cut out this tariff wall and let this Anglo-Saxon race from the Mexican border to the Arctic Coast be one country under one general government; but right there you see, is where sentiment comes in and sentiment says we belong to the British flag and we are going to stay there, even if it does cost us a considerable amount of money and effort.

In the West your thoughts are directed against a populous and powerful Province of Ontario, which, because of its centralized position and wealth, is a most important factor in the Dominion and to some extent we regard Ontario in the same light because Ontario as a business proposition, looks upon the Maritime Province as a very convenient place to market its surplus products and frankly does not care one damn for us in any other way, but to be absolutely fair, we must admit and you should too, that if conditions were reversed, the Maritimes or the West would hold exactly the same attitude towards Ontario.

To boil the whole thing down the question simply is—is the Federation going to hang together or is it going to split? If it is going to split, what is the Modus Operandi?

If it is going to hang together there must be co-operation all along the line even if it costs us a lot.

POST-Scripts

ONE of the most efficiently run institutions in Canada is the Shawbridge Boys' Farm and Training School, not far from Montreal. One reason that it is so well run is that a group of business men have taken a personal interest in the farm and given it the same keen attention that they give to their own businesses. E. W. Beatty is the chief of these, and associated with him are a number of bond men and bankers in Montreal.

Boys are committed to the farm by the courts and are also sent there by other institutions. They receive an excellent training that leaves its impress upon them in after life. Habitually wayward youths have been saved from a life of crime by the work of the farm.

The general public does not hear much about the Shawbridge Farm, as the $50,000 per annum required for the operation of the farm over and above the amount received from the provincial government is quietly raised among business men. The 1926 funds are now being raised.

Evidence that it is a worthy institution is seen in the fact that the Ontario government is patterning its boys' correction activities after the work of the Shawbridge Farm.

WRITING in the Blue Bell Thomas D. Lockwood asks such other pioneers in the telephone field as Messrs. McFarlane, Dunstan, Smith and Black of the Bell Telephone organization to turn their memories back to 1886 and preceeding years when General Charles G. Gordon, popularly known as "Chinese Gordon" lived and was for many years governor-general, under the Khedive Ismail, of the Soudan. During his governor-generalship General Gordon wrote the following interesting letter referring to the telephone:

"En route to Cairo.

Debbe-on-Nile, 16th February, 1878.

My dear——

I want your advice as to the establishment of the telephone between Zardo and Duffli. Could you find out from our people the cost of wire, etc., insulators, instruments in seven (7) stations, for a distance of 150 miles? Siemens might be able to give you an estimate. We must have two tubes (one for hearing and one for speaking) at each station.

Believe me,
Yours sincerely,
C. G. Gordon."

This letter, Mr. Lockwood points out, is remarkable in view of its early date, its prescience, its acceptance of the fact that for satisfactory results two instruments at each station would be requisite, and its contemplated use of the telephone in long-line service. For we are to keep in mind that at the time it was written there were but four thousand telephone instruments in the world; that there was no battery transmitter; that there was only one telephone exchange (that at New Haven, Conn.) in existence, it being very small and only nineteen days old; and that even in the United States, there was not a single telephone line more than five or six miles long.

AT A dinner in Toronto recently Archbishop Neil McNeil, the Roman Catholic Archbishop of Toronto and district, expressed the opinion that finance has not recognized its responsibility to the public to the same degree that industry has.

In referring to the humanitarian idea in industry, he instanced the banquet that had been held at Port Colborne, Ontario, when all the local employees of the Canada Cement Co. celebrated a record unique in the industries of the town—the completion of a year without a single accident. There had been more than 400 days without loss-of-time accidents.

The archbishop asked that financial men should regard each individual transaction entered into with a realization of their responsibility to the public.

Is Archbishop McNeil right in his claim that finance lags behind industry in recognizing its responsibility to the public? Or if he were to give full consideration to the work that is being performed by life insurance; to the home-building activities of real estate and mortgage companies; to the protective work of the investment houses, to the thrift promotion activities of the banks, would he repeat his charge?

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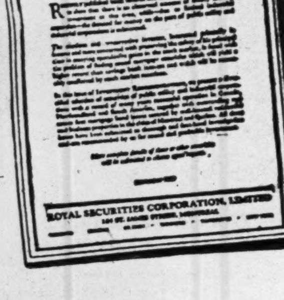

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100

News of the Investment Market

SOME IMPORTANT BOND OFFERINGS SOLD THIS WEEK

Money Still Plentiful, and Prospective Issues Relatively Scarce

The bond market has entered upon the new year with four or five quite large issues—with prices firm, and with a larger surplus of investible funds, apparently, than there is any immediate demand for. Some of the investment houses say that they have not found it necessary to advertise certain issues, in order to find a market for them. The momentary demand seems sufficient to absorb all that is offered without much effort in the part of the issuers. Nor is there anything yet to indicate that this freedom of money will soon terminate. Higher money rates in the United States would of course attract large sums of Canadian money, but some time is required even for that movement to become operative.

Speculation exists with regard to whether or not the apparent streak of economy on the part of the municipalities will continue. There can be no doubt but that it is a healthy sign, and it seems to be the general impression that municipal borrowing this year will be carried on on a somewhat restricted scale. There is a fairly large volume of refunding to be done during the year. The provincial and municipal refunding may reach a total something like $250,000,000, and it is not unlikely that government refunding, of all classes, may reach $180,000,000. This will absorb a large part of the surplus money later in the year.

The leading issues of the week were the British Columbia, Alberta, and York township issues, which reached a combined total of about $6,837,000. The province of British Columbia showed a desire to try out the instalment basis, but called for bids on the straight term basis as well, the latter receiving more favorable terms and being adopted. It is thought that just as favorable terms might have been received by the province on the serial bonds as were offered for the straight term bonds, had the former been offered alone. At time of writing, the Alberta issue had not yet been awarded. The Township of York issue, amounting to $1,587,611, was sold on a 5.04 per cent. basis, the bonds being 5 per cents. and the accepted big 99.65. The bonds of all of these municipalities are very highly regarded.

A number of heavy security flotations have been made this week in the New York market, but prices have been firm, reaching higher levels and the volume of buying was heavy.

Serial Issue Sold for Great Lakes Transport

A syndicate consisting of Murray & Co. and McLeod, Young, Weir & Co. has purchased an issue of $600,000 6 per cent., 10-year first mortgage bonds of the Great Lakes Transportation Co., Ltd. These are serial bonds, maturing $60,000 per year from 1926 to 1935.

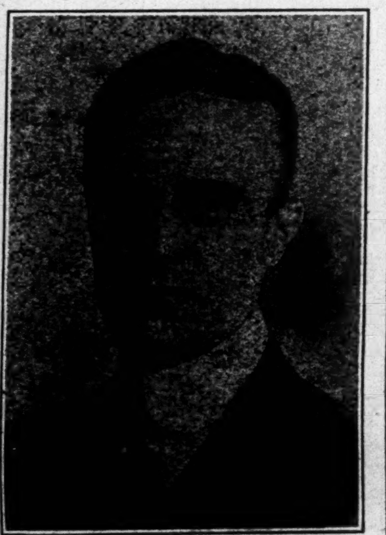
These bonds are secured by a first mortgage on the S.S. "Gleneagles," appraised at $1,125,000, and by a floating charge on other assets of the company having a net depreciated value of $3,789,015. The "Gleneagles" is the second largest lake carrier operating on the Canadian lakes.

Loblaw Groceterias Shares May Soon Be Listed

There is a report that shares of Loblaw Groceterias are to be listed on the Toronto Stock Exchange, but no definite statement has been issued. The company is understood to have made good progress in the establishment of stores in the United States, eleven stores having been opened by the American subsidiary. The Canadian company is steadily expanding, stores having been established recently in Sarnia, Chatham, St. Thomas and London. Christmas business of big volume is reported.

G. R. Warburton Heads New Bond Department

Announcement of the formation of a bond department is made by R. M. Harcourt & Co., members of the Toronto Stock Exchange. This department will be in charge of G. R. Warburton, who



for the last ten years has been connected with the selling organization of Wood, Gundy & Co., both in the United States and Canada. Prior to this, Mr. Warburton was with the Dominion Securities Corp.

Woman to Sell Bonds to Women

MONTREAL.—For some years the banks have endeavored to provide a special service for women customers, but the first real recognition of women as buyers of bonds comes in the form of an announcement by the investment house of Nesbitt, Thomson and Company, of Montreal, of the opening of a special department devoted to the handling of women's investment accounts.

Another departure is the placing of this department under the guidance of a woman, Miss P. G. McNair, who, until recently, has been in charge of the company's statistical department.

Incidentally Miss McNair is possibly the first woman in Canada, and certainly the first one in Montreal, to become a bondsalesman—or perhaps it would be better to say a bondsaleswoman. She should do well in the selling end of the business, for she possesses a solid knowledge of bonds and the bond business, with which she is well equipped, not only to merely sell clients their investment requirements but also to educate them about securities generally.

Miss McNair hails from the Maritimes—anyone acquainted with her firm might almost have guessed this. She believes that in selling to women she is reaching out into an almost untouched field which, when cultivated, will undoubtedly bring its rewards. Perhaps that which will help her to achieve that success, which will undoubtedly come, is her genial personality and ready wit. The latter came to the surface right rapidly when The Financial Post asked if she intended to sell men as well as women. "Yes," she replied, "but only the handsome ones." Despite this repartee, she will devote practically all her time to placing bonds with women, especially cultivating the smaller investor.

Forbes and Perry on Board of Royal Trust

The Royal Trust Co. has strengthened its Toronto Advisory Board in electing as members George D. Forbes of Hespeler and Gordon F. Perry of Toronto, as was announced after the meeting of the board of directors held in Montreal recently.

Mr. Forbes is president of R. Forbes Co., of Hespeler, Ont., prominent manufacturers of woollens, besides being interested in several other important organizations. Mr. Perry is president and general manager of National Iron Corporation, and also chairman of the board of directors of English Electric Company of Canada.

STRAIGHT TERM BONDS SOLD BY BRITISH COLUMBIA

Province's Finances Make Fine Showing—Some Tax Reductions Made

After seriously considering the advisability of adopting the instalment plan of issuing bonds, the province of British Columbia called for tenders both on straight term and on a serial basis, and adopted the former. The issue is for $4,000,000 4½ per cent. sinking fund bonds payable in 25 years. The bonds yield half-yearly interest and are payable both as to principal and interest in gold coin in New York as well as in London and Canada. Being a direct obligation of the province they are repayable from its consolidated revenue fund. They carry a full sinking fund calculated to retire the issue by maturity.

The most recent financial statement of the coast province shows an essentially sound and strong position. At the first of November last, the gross funded debt of the province stood at $72,812,161. Sinking funds amounted to $16,525,079 and revenue producing debts to $16,586,948, leaving a net funded debt of $39,700,133. At the beginning of December the gross debt of the province was reduced by $3,130,000 by the retirement of the 10-year five per cent. debentures sold December 1, 1915, and which cost the province 6.39 per cent. A sinking fund was established for this obligation and a sufficient amount was available to retire the entire loan and have a surplus in earnings amounting to $69,720. This is typical of all the sinking fund provisions established to retire the funded debt of the province at maturity. With one exception, this was the first provincial government loan redeemed "in toto" by sinking fund provision. This left a gross funded debt of $69,682,161.

Sinking Funds in Strong Position

Appropriations for the full retirement of all province of British Columbia long term securities have been set aside. On November 1, 1924, the total sinking funds on hand were $13,957,605. Since that time further appropriations have been added, together with dividends on investments and accrued interest bringing the total at November, 1925, to $16,525,079, an increase of $2,567,473 over last year. The total requirements to provide for all maturities at present is $15,382,420, so that through judicious investment and constant earning powers of the appropriations, the province has created a surplus of $1,142,659 over and above present requirements. This does not include the appreciated values of the present holdings of Victory and other Dominion government bonds. It is claimed that the British Columbia sinking funds represent 31.40 per cent. of all provincial sinking funds, and 22.67 per cent. of the total funded debt of the province.

During the fiscal year 1924-25 there was collected by way of current revenue $18,823,357, and current expenditure was $18,219,865. Indications now point to the realization of a surplus in revenue from all sources over expenditures for all purposes, for the fiscal year 1925-26, of approximately $156,000.

It is significant that a reduction in tax rates has been found possible in the province. Legislation has been passed to reduce the rates of the income tax by an estimated total of $500,000. Business incomes of over $20,000 net profit will pay eight instead of 10 per cent. On personal incomes to $3,000 the rate is reduced to one per cent., and to $4,000, two per cent. There is a further reduction of 10 per cent. in the personal property tax.

NEW BRUNSWICK GETS TOURISTS

FREDERICTON. — Provincial government statistics show that during the summer of 1925, a total of 14,166 cars with American tourists entered at various custom ports along the border of New Brunswick, compared with 9,840 for a similar period in 1924, showing an increase of 4,326 cars.

NATIONAL CASH ISSUE ABSORBED BY INVESTORS

Enviable Business Record Assures Able Management Under New Conditions

The National Cash Register issue of 1,100,000 shares of common stock held up well during the first week in spite of the break on the New York stock market last week. When the issue first came out last Wednesday, it will be remembered that the Dillon Read Co., who underwrote the issue, were virtually flocked with orders, from their correspondents who did the actual retailing. At that time it was not clear whether the issue was being absorbed by speculators or investors. In some quarters it is claimed that the issue would have been absorbed at 55, 5 points above the present par. This opinion would lead one to believe that the issue was absorbed by actual investors who purchased regardless of current market price, interested in what they were taking up and interested in a long term permanent investment.

The successful 35 year dividend record undoubtedly helped to make the issue atractive to the investor, especially to the income builder. If it was true that the stock is very widely held, and held by investors seeking a permanent investment, then two results naturally follow: In the first place, fluctuations will not be so wide in rising and falling markets, and secondly the company will be able to build up through its stock list a host of friends and supporters of the right type.

Business Record Enviable

The soundness of the company is unquestioned. A company which has weathered the ups and downs of the business cycle, is a really proven company. A company which can show good earning power in periods of falling prices as well as in periods of rising prices, is undoubtedly able to manage. The fact is significant and adds materially to the strength of the company which has had its greatest progress during periods of depression and crises, 1893, 1907, 1914, 1921.

In addition to the soundness of the company and its ability to earn dividends, the fact that the issue came out at a period when there was a large flow of dividends and money seeking sound investment channels, needless to say, helped to contribute to the fine reception of the issue. The absorbing capacities of the market are very great at this season of the year and the public is quick to respond to the investment possibilities of the company.

It is interesting to note that the balance sheet shows patents, goodwill and other intangible assets at $1. This is indeed gratifying and gives evidence of the conservativeness of the company. It has been asked whether this company is likely to feel severer competition in the future, and whether it will suffer by the expiration of patents. In answer to these questions it has been pointed out that business conditions are constantly changing and that the company frequently introduced innovations before the expiration of existing patents. The National Cash Register Company employs an extensive staff of research workers who are constantly on the watch and it is reasonable to expect that with the present able management the company will continue to lead.

Another point of interest in the National Cash Register Company is that no preferred stock or bond issues were issued. Dividends are not cumulative. It is rather difficult to interpret this type of financing. A redeeming feature is the simplicity of the whole structure. Where you have 1,100,000 common A shares yielding 3 per cent. with a preferred claim on the earnings, at a glance one knows what the company has to earn to pay dividends. Secondly, preferred stocks usually bear a higher rate than would a common issue; possibly the underwriters felt that with the present favorable investment market and with such a strong company in their hands it would be cheaper to issue a 6 per cent. common stock. Furthermore, preferred issues are usually cumulative as to dividends. The underwriters did not appear to want to burden the company in event of failure to earn dividends; incidentally the possibility appears quite remote.

The company in past years has been a socially conscious company. The extensive welfare work in the business community, the ideal relations existing at the factory and in the executive of the company, etc., have all helped to build up an enviable reputation not only in the immediate sphere where this company serves but also in the whole business world. Clearly this is a far-sighted policy and such companies have little difficulty when they find re-financing necessary.

NOVA SCOTIA HAS GOOD SLATE

KENTVILLE.—The Acadia Slate Company has been organized to develop the extensive slate deposits located in King's County, Nova Scotia, and it is prepared to proceed with the development work at once. The deposits are located between New Minas and White Rock, and the width of the belt is reported to be about 900 feet. The samples are reported upon as comparing favorably with those from the Vermont slate quarries. They have a more metallic ring to them, which indicates a harder and more compact grain.

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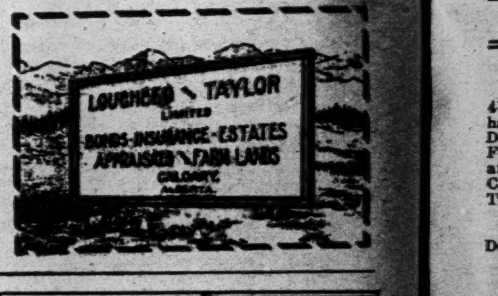

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25,000	City of Edmonton	5½%	1945	101.00	5.42%
10,000	Northern Canada Power Limited	6%	1945	101.00	5.92%
5,000	Northern Ontario Light & Power Co.	6%	1946	100.00	6%

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Municipal and Provincial Finance

This Week's Bond Sales

MONTREAL BOND ISSUE

An issue of $7,000,000, City of Montreal, 4½ per cent. bonds, repayable in twenty years, has been awarded to a syndicate composed of Dominion Securities Corporation, Harris, Forbes & Co., the National City Co., the Guaranty Co., of New York and Dillon, Read & Co., at a price of 94.142 in American funds. The bids were:

	Amer. Funds	Can. Funds
Dominion Securities Corp., Harris, Forbes & Co.; Dillon, Read & Co.; Guaranty Trust Co., and National City Co.	94.142	.....
First National Bank of New York, Brown Bros., Kissel-Kinnicutt, Remond and Bankers' Trust	93.789	.....
Ames & Co. and Wood-Gundy	94.04	93.76
Equitable Trust, Halsy-Stuart-Kountze, First National Bank of Detroit, Continental Savings Bank, Canadian Bank of Commerce, Greenshields & Co., Matthews & Co., Royal Securities Corp. and Cochran-Hay	93.27	.....
Bank of Montreal, National City, Hanson Bros., Rene T. Leclerc, Daly & Co. and McLeod, Young, Weir & Co.	.....	93.313
Bank of Toronto, Cochran & Co., Greenshields, Bell, Gouinlock & Co., Imperial Bank, Royal Securities Corp., Nesbitt-Thomson, Fry, Mills, Spence & Co. and Mean & Co.	.....	93.51

BRITISH COLUMBIA ISSUE

The Province of British Columbia has sold an issue of $4,000,000 4½ per cent. sinking fund bonds, payable at the end of twenty-five years. The following group was awarded the issue: Canadian Bank of Commerce, Bell, Gouinlock and Co.; Fry, Mills and Spence; Cochran, Hay and Co.; Dyment, Anderson and Co., and Aird, McLeod and Co. The bonds are repayable 15th January, 1951, with half yearly interest coupons, payable 15th January and 15th Juy attached. The bonds are payabe, both as to principal and interest, in gold coin in New York as well as in London and Canada. They are a direct obligation of the Province of British Columbia and are repayable from its consolidated revenue fund. In addition, they will carry a full sinking fund calculated to retire the issue by maturity.

The complete list of bids is as follows:

Bell, Gouinlock & Co. and Syndicate	93.08
Wood, Gundy, A. E. Ames and Royal Bank of Canada	92.80
Dominion Securities Corporation	92.67

The province also called for tenders for thirty-year straight term bonds, and thirty-year serial bonds. Bids for these were as follows:

For 30-year straight term bonds—	
Bell, Gouinlock and Syndicate	92.46
Wood, Gundy, A. E. Ames and Royal Bank	92.18
Dominion Securities Corp.	92.15
For 30-year serial bonds—	
Bell, Gouinlock and Syndicate	94.38
Wood, Gundy, A. E. Ames and Royal Bank	94.17
Dominion Securities and Syndicate	94.32

The province decided to sell the 25-year, straight term bonds.

MONTREAL ISSUE

The executive committee of the Montreal city council accepted the bid of a syndicate for the city's securities consisting of the sale of $7,000,000 4½ per cent. bonds. The price offered was 94.142, which was considered a favorable price in view of the present state of the money market. This represents a yield of 4.965. The last 5 per cent. loan, sold in 1924, was on a basis of 5.24. The successful bidders were: The National City Company, Harris, Forbes and Co., Dominion Securities Corp., Guarantee Co., of New York, and Dillon, Read and Co.

YORK TOWNSHIP

Wood, Gundy & Company were the successful tenderers recently for the new issue of $1,587,611 Township of York thirty instalment 5 per cent. bonds, the price being 99.65. Close competition was displayed in the bidding for the issue, the second and third tenders being 99.59 and 99.351 respectively.

As usual, the township has obtained quite a good price for its bonds, its favorable location adjoining the city of Toronto and its strong financial position, being generally recognized. Although having the status of a township, York is virtually a city, its population of approximately 52,000 being exceeded by only five cities in Ontario.

In the notice calling for tenders, the township treasurer particularly draws attention to the conservative nature of the township's assessment, illustrating his statement by the fact that during the last seven years, buildings to value of over $45,000,000 have been erected within the present township's limits, whereas the total assessment is now less than $22,000,000. The township is regarded as practically a suburb of Toronto, and its growth and population from 22,000 in 1918 to 52,000 in 1925 is an evidence of expansion. The township's debt of $58 per capita is lower than that of any city in the province of Ontario. Following is a list of bids:

Wood, Gundy and Co.	99.65
A. E. Ames and Co., Matthews and Co., and Bank of Montreal	99.59
Dominion Securities Corporation	99.351
McLeod, Young, Weir and Co.; Bell, Gouinlock and Co.	98.93
Dyment, Anderson and Co.; Fry, Mills, Spence and Co.; MacNeill, Graham & Company	98.89

TOWN OF WESTVILLE

W. F. Mahon & Co., were the successful tenderers for an issue of $15,000, Town of Westville, 30-year bonds, on a bid of 95.27.

SAYS VANCOUVER THIRD CITY

VANCOUVER.—"Greater Vancouver is entitled to claim, at the outset of 1926, the position of third greatest metropolis of Canada," according to W. E. Payne, secretary of the Vancouver Board of Trade.

Greater Vancouver, says Mr. Payne, has to-day a population of at least 230,000, exclusive of New Westminster, Port Moody and Port Coquitlam. Inclusion of those integral parts of the industrial and export unit which constitute the terminus of the western grain route would lift the population to 250,000.

ALBERTA'S ROAD PROGRAMME

EDMONTON.—By 1927 the Alberta government hopes to complete its present main highway programme calling for an expenditure of $3,500,000, by which a total grant of $1,500,000 will have been earned from the federal highway fund.

BOND MOVEMENTS OF THE WEEK

WEEK ENDING JANUARY 12

Bonds	Int. Rate	Due Year	Yield	Range 1925 High	Range 1925 Low	Range 1926 High	Range 1926 Low	Latest Price Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos	5	1942	5.26	99	80¼	97	92	97	96½	97	95
Can. Canners	6	1950	6.36	96¼	90	95½	94	94½	94	95½	94
Can. Cement	6	1929	5.16	103¼	100	103	103	—	103	103	—
Cedar Rapids	5	1953	5.04	99¾	97	99¼	98¾	—	99¾	99¼	98¾
Dom. Iron	5	1929	8.28	94	86	89	89	—	88½	89	—
Mexican Light	5	1933	10.66	65	60	70	70	68	—	70	—
Montreal Trams	5	1941	5.24	98	94⅛	97¾	97¾	97¾	—	97¾	—
Mont. Trams (A)	5	1955	5.44	98¾	92¼	93½	92½	—	93	93½	93½
Montreal Power	4½	1932	5.01	97½	96¼	97	97	97¼	—	97	—
Quebec Rly	5	1939	5.75	98	89¼	92¾	92½	92¾	—	92¾	92½
Wabasso	6	1947	6.08	99	92	99	99	99	—	99	—
Wayagamack	6	1951	6.60	98¾	84¾	92½	92	92	—	92½	92
War Loan	5	1931	4.56	102.65	101.00	102.15	101.80	102.25	102.15	102.15	101.85
Do.	5	1937	4.53	104.95	103.80	104.35	103.85	104.30	104.20	104.35	104.00
Victory Loan	5½	1927	4.40	103.15	101.70	102.25	102.00	102.20	102.10	102.15	102.05
Do.	5½	1933	4.65	107.00	105.10	106.00	105.55	105.90	105.80	105.90	105.60
Do.	5½	1934	5.00	104.80	103.20	104.10	103.75	104.00	103.90	104.10	103.75
Do.	5½	1937	4.55	110.00	108.15	109.00	108.55	108.90	108.80	108.85	108.55
Do. Refund	5	1928	4.86	101.45	100.15	100.90	100.55	100.75	100.65	100.85	100.55
Do. "	4½	1940	4.85	97.25	92.20	96.50	96.30	96.35	96.25	96.40	96.30
Do. "	5	1943	4.85	102.90	101.15	101.70	101.40	101.60	101.50	101.65	101.40
Do. "	4½	1944	4.77	97.75	96.20	96.95	96.40	96.85	96.75	96.95	96.70
Do. Renewal	5½	1927	4.90	102.95	100.80	101.50	101.20	—	101.40	101.25	101.20
Do. "	5½	1932	4.96	104.20	102.65	103.25	102.85	103.25	103.10	103.25	102.85

RISING TAXATION MAIN CAUSE OF LOWERED COSTS

Latter Result in Reduced Municipal Borrowing From Public

There is evidence of an attempt to curtail unnecessary expenditure in the use of municipal funds. Annual statements of scores of municipalities throughout the country show a decided tendency to curtail. A large number of the by-laws being voted upon at this time are being summarily thrown out, and estimates are being pared more assiduously than for some years. This is interpreted by business not as a condition of declining business, but a necessary housecleaning to facilitate the business improvement which is confidently anticipated. It is already beginning to be reflected in reduced taxes in certain sections.

The cutting down of expenditures is apparently now being resorted to as a definite means of making business recovery possible by lowering the tax burden. It would seem that the evident failure of the attempt to induce the governments to reduce the tax burden has led to more direct action. Instead of $86,000,000, the amount that was borrowed by the municipalities of Canada in 1924, less than $50,000,000 was borrowed by public flotation last year. A drop of 42 per cent. in the volume of such borrowing is important. Provincial governments have evidently made the same attempt to curtail, since their public borrowings fell materially.

While few of the municipal reports have yet been received, enough have been received to show that this 1925 curtailment has already made possible tax reductions. Four of the leading cities of Western Canada have made substantial tax reductions, and two of the provinces have done the same. As an example, legislation has been passed in British Columbia to reduce the rates of the income tax by an estimated total of half a million dollars. Business incomes of over $20,000 net profit will pay eight per cent. instead of 10. Each section of business and income from investment is subject to relative reductions. A further reduction of 10 per cent. has been made in the personal property tax as well. Some of the other provinces are making tax cuts, although complete data are not yet available.

Current reports of some of the country's leading corporations indicate that the same economies are being put into force. Some of the railways have taken off a large number of trains on non-profitable lines. The number of railway employees had already been reduced by nearly 10,000 a few months ago, in comparison with the previous year. This tendency is seen also in a number of the manufacturing concerns.

The effect of all this upon business is a problem. It may be assumed that if public expenditures are reduced, private expenditures will be as well, and this will react badly upon business. Merchants throughout the country have been resorting to cut rate sales to a greater extent, perhaps, than normally, but there is nothing to indicate that the volume of business turnover has been reduced. Insofar as retail business is concerned, savings bank deposits and general buying power have both increased very greatly. The saving above reported will more probably react favorably upon retail and wholesale trade than otherwise, and there is evidence that it is already doing so. All factors considered, the public and private economies noted are welcomed by business as a very necessary preliminary to genuine trade recovery.

Would Consider Serial Bonds as Advocated by The Post

The articles which have been appearing in The Financial Post urging improvement in public financing by the adopting of serial or instalment bonds in preference to term bonds covered by sinking funds, have attracted considerable attention among those interested in public finance. A letter has been received from the chairman of the finance committee of a New Brunswick town, referring to the articles in The Financial Post and asking, "Would you advise our town issuing serial bonds to take the place of our present bonds, and would you advise any future bonds issued to be serial bonds?"

Advising the adoption of the serial or instalment bonds as the basis for the repayment of future loans, the following reply has been sent to this inquirer:

In view of the course which has been taken by the more progressive and soundly financed municipalities throughout the country, you would undoubtedly be well advised to consider serial or instalment bonds, as the basis for the new payment of future loans made by your town. The issues would, of course, be made to conform with your provincial regulations in respect to such issues. Such regulations might decide whether instalment or serial bonds would be best suited.

It would not be advisable, even if it were feasible to attempt to make any re-adjustment of the bond issues now outstanding. However, in addition to new borrowing it may be that some of the outstanding issues when they come due, will be refunded and at that time the change to the serial or instalment bonds could be worked out.

Alberta Will Refund $7,000,000 This Year

The Alberta provincial government has announced that its refunding program for the year will call for $7,000,000. Out of this total, $3,500,000 falls due in May and will be met by a public issue to be floated in the latter part of April. On the 1st of July, $500,000 falls due and will be taken up locally. On the 1st of November, $3,000,000 falls due and will be retired by a new issue to be floated about that time.

The report issued by the provincial treasurer states that there will be slight reductions in both the larger issues through payments from the sinking fund. The funds now being obtained are for a balance of $1,200,000 remaining over from an authorization of $2,750,000 made last April. The purpose of this issue is to provide money for general revenue purposes until the grants by the legislature and other revenue are obtainable in the regular way.

As previously announced, an issue of $1,250,000 was sold this week.

TORONTO ASSESSMENT UP

The assessment of the city of Toronto has increased $16,259,443 in comparison with last year. The 1926 figure will be $891,473,797, made up as follows:

Lands	$352,015,758
Buildings	375,424,918
Business	90,649,052
Income	73,584,069
	$891,473,797

The city assessment has increased $723,812,042, or 431 per cent. during the past 20 years. The number of buildings shown on the assessment rolls in 1925 is 121,192 as against 117,913 in 1924.

VANCOUVER GETS SHARE

The city of Vancouver received a grant from the provincial government of $115,010 as its share of the provincial liquor profits, and $49,152 as its share of pari-mutuel taxes. This is part of the general distribution of $591,799 to the municipalities of the province. Of this total, $424,484 is made up of provincial liquor profits for the six month period ending September 30 last, and $167,315 of pari-mutuel taxes for the year.

SUGAR BEETS IN MARITIMES

SACKVILLE.—According to a report in the "Busy East," the development of a beet industry in the Maritimes is receiving attention. Tests are being made this season throughout this area and present indications are that beets can be produced in the Maritimes to compare favorably, both in yield and sugar content, with any place in North America where the industry is at present carried on.

London Street Railway Service Now Resumed

London, Ont., street cars are operating again, the service now being augmented with buses in certain sections. There is some talk of the city purchasing the system but with others there is some uncertainty as to the future of street cars. Moreover, there is a realization of the responsibilities of financing a new system which, including purchase, would require from $2,500,000 to $3,000,000. It is probable that the people will eventually be given a choice between purchase and some co-operative form of management with franchise renewal. The length of franchise, if granted, would neither be unreasonably long, nor too short to permit the company a free hand in financing.

Tenders and By-laws

TENDERS CALLED

January 25—Village of Fort Coulonge, P.Q.—$30,000, 5½ per cent. serial debentures. D. J. Shea, Sec.-Treas.

January 20, Bowmanville.—$66,399, 5 per cent., 20 instal. local improvement bonds. H. R. Jollow, town treas. (See announcement on page 16).

January 26, School Commission of Cote Saint Luc, P.Q.—$12,000, 6 per cent., serial bonds. S. Descarries, sec.-treas.

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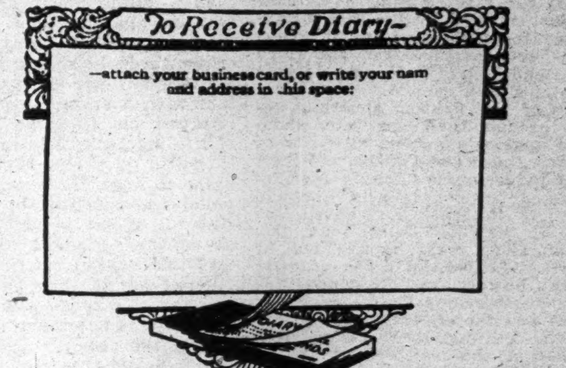

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WEEKLY RECORD OF CANADIAN FINANCING

Place Bond Sales—	Date	—Sold To—	Rate	Maturity	Amount	Price	Yield
		MUNICIPAL					
Montreal	Jan.	Dominion Securities Corp. and Syndicate	4½%	1945	$7,000,000	94.142	4.975
York Township	Jan.	Wood, Gundy & Co.	5%	1955	1,587,611	99.65	5.04
		Provincial					
British Columbia	Jan.	Bank of Commerce and Syndicate	4½%	1951	4,000,000	93.08	....
		Corporation					
Great Lakes Transportation	Jan.	Murray & Co. and Syndicate	6%	1935	600,000	....	....
Canada Paper Co.	Jan.	Nesbitt, Thomson & Co.	6%	1945	2,000,000	98	6.15

Insurance for Buyer and Seller

DISCUSS FINANCE CONCERNS WRITING MOTOR INSURANCE

Superintendent Foster Fixes Date of His Conference on Subject

A further notice has gone out about the conference on wholesale automobile insurance to be held in Toronto, on January 21, Superintendent of Insurance, R. Leighton Foster, of Ontario, has invited licensed insurers, automobile finance corporations, automobile manufacturers, insurance agents and automobile dealers to be represented and present their views with respect to the insurance within Ontario of automobiles purchased for cash or on the time payment plan either upon retail or wholesale distribution.

As previously indicated in The Financial Post, the conclusions of the conference will probably be embodied in recommendations for legislation in Ontario and will form the subject matter of a special report to the 1926 conference of the Association of Superintendents of Insurance of the Provinces of Canada.

Among the points outlined by Superintendent Foster as those which he desires to have reviewed are the following:

"Review of present situation: An outline of all such insurance presently in force or actually proposed, together with consideration of the extent to which such plans comply with the supervisory and regulatory insurance laws of the province.

"The contract: The form of the 'open' or 'master' policy; the form of the subsidiary contract or certificate of participation received by the ultimate purchaser; and the extent of compliance with the existing law and desirability of modification thereof. Cancellation clause.

"The premium rate: Consideration thereof in relation to the Ontario law prohibiting unfair discrimination in rates between risks within Ontario of essentially the same physical hazard in the same territorial classification; to the desirability of making the same rate of premium available to the purchaser of a similar automobile for cash; and to existing schedules of rates fixed or charged now filed with the department.

"The premium; The desirability of separating the insurance premium charged from other service charges of the finance corporation and showing its amount upon the face of the subsidiary contract or certificate of participation delivered to the ultimate purchaser.

"The agency: The rate of commission (if any) to be paid and to whom; the participation of the finance corporation, or automobile dealer or salesman, in the negotiation of a contract with a purchaser, and/or the receipt of commission therefor; the consequent necessity of compliance with the agents' qualification law; and the execution or counter-signature of the contracts by licensed insurance agents in provinces which impose a resident agents law.

Consider New Legislation.

"In addition to reviewing existing practices and their compliance with laws presently in force, it is desired that views should be presented as to what plans are most desirable irrespective of existing laws, in order that consideration may be given to the enactment of any legislation necessary to facilitate what may be established to be the legitimate needs of insurer as well as insured.

"It has been suggested that the separation of the insurable interest of the finance corporation or automobile manufacturer, from that of the purchaser, and insuring such interests by separate contracts and plans of insurance, would solve many of the present problems without undue interference with existing laws. The practical aspects of such a suggestion and any others which may be presented, looking toward a reconciliation of the conflicting interests, will be welcomed.

"Fortify for Fire Fighting," Slogan of Prevention Men

"Fortify for Fire Fighting" is the new slogan just adopted by the Fire Equipment Manufacturers Institute of America, that being the suggestion for which one thousand dollars is being paid in a continental slogan contest.

Makers of fire fighting apparatus received, through their institute, thousands of suggestions from all parts of the United States and Canada and their board of judges chose "Fortify for Fire Fighting" as one peculiarly apt and forceful. In the year just ended, the ravages of the "Red Demon" on this continent alone were represented by losses of 500,000,000 dollars in property and 15,000 human lives. This appalling toll is mounting in spite of preventive measures and the adoption and general use of fire-fighting apparatus, and it is the belief of the members of the institute that some such striking slogan as "Fortify for Fire Fighting" will help to bring home to the public at large a keener realization of the awful menace of fire.

Toronto Casualty Business Makes Forward Strides

The annual statement for 1925 of the Toronto Casualty, Fire and Marine Insurance Co. shows an increase in business written of 65 per cent.; increase in total reserves of 70 per cent.; increase in total admitted assets of 40 per cent. and an increase in surplus of 15 per cent.

Premium increase was $675,568. Re-insurance premiums received were $23,551 and re-insurance paid amounted to $94,582. Claims paid totalled $299,042. Net result of year's business was to increase net ledger assets from $388,893 to $413,567. Of the increase $18,320 represented capital and premium received.

Net surplus is $36,577 and capital paid up, which represents additional surplus to policyholders amounts to $169,555. The company started in 1921.

North American Life reports that its 1925 figures break all records. Business in 1925 exceeded 1924 by nearly $3,000,000. Objective for 1926 is set at $35,000,000.

Insurance Men Are Promoted

F. B. DALGLEISH,

formerly assistant manager of Canadian Hardware and Implement Underwriters, head office, Winnipeg, who has been promoted to the position of manager, succeeding C. L. Clark.

C. L. CLARK,

who has been promoted to take charge of the company's new branch office at Newark, N. J.

M.D. Heads Life Branch of Big Insurance Firm

Dr. J. P. Campbell Has Achieved Success in Life Insurance Business by a Different Kind of Service—Now Joins Irish and Maulson

By FLOYD S. CHALMERS

AT THE New Year, Canada's largest firm of insurance brokers established a life insurance department. They appointed as manager—a doctor.

Behind the appointment of Dr. J. P. Campbell to this important post with the firm of Irish and Maulson, in Toronto, lies a story of a man who made a great success of "selling" insurance because he has always been more interested in helping his clients to "buy" the insurance they needed than in selling just another policy.

When Dr. Campbell calls on a business man to discuss with him his life insurance, the business man inevitably wonders why a medical doctor is in the insurance business. And if he asks the question—nine times out of ten he will—it gives Dr. Campbell just the opening he wants. It enables him to amplify his sincere belief that the doctor and the life insurance man are working side by side in a common cause; the conservation of man power. "Both are serving humanity; both are fitting the people of to-day and their children to carry out what we plan to have them do."

"Serving a man in life insurance is like serving him in medical practice," says Dr. Campbell. First you diagnose the trouble. Then you treat the symptoms and finally you prescribe the remedy to clear up the source of the trouble. That's medicine. In life insurance you do the same thing; you find out the needs of the client. You do what you can do to put his personal affairs and his estate in order and then you provide the life insurance that will assure continuous strength and well being to his financial system."

Dr. Campbell has been in the life insurance business for four years only but until his recent appointment he was one of the ablest producers in the Toronto branch of the Canada Life Assurance Company with a record of half a million dollars of business written in the year just closed. He has made his remarkable record by giving to his profession an earnest study and an analytical thoroughness that make insurance a service rather than a selling job to him. Dr. Campbell has in the past specialized in "estate work" in life insurance. In other words, he sells a man more than a life insurance policy. He provides him with a sincere, complete plan to improve his financial arrangements. If life insurance fits into the scheme, then life insurance is suggested. Usually it does fit in and usually the policies are written by Dr. Campbell. But the client is not regarded only as another prospect for another policy; the insurance written is not considered as another policy to add to the month's total; the service is not set down as necessary evil in the writing of the policy.

Saved One Man $240,000

In his new work, more attention will be paid to business insurance, to group insurance and to salary allotment insurance but to date estate work has occupied Campbell's attention. He has given advice that has enabled business men to make potential savings of from $5,000 to as high as $240,000 in succession duties. Incidentally, there was a $200,000 policy for him in the estate where he made the $240,000 cut in estimated duties to be paid at death.

Let us watch Dr. Campbell at work.

In doing this we shall get a better idea of the man and the underlying factors in his success than we could get in any other way.

"At the Canada Life I found my prospects by calling on people—personally, and over the telephone," said Dr. Campbell to me. Herein, by the way, is a tip for any salesman, no matter what he is handling. Where to find prospects is often a problem. Find them by coming in contact with as many people as possible, was Campbell's way. It still will be, except that his contacts have broadened. Out of the people he sets down as possibilities for life insurance service he chooses carefully those that

(Continued on page 19)

Western Assurance Plans Exchange of Its Shares

A meeting of the shareholders of the Western Assurance, Company will be held on February 8, for the purpose of considering a rearrangement of the capital structure of the company. At the present time the capital consists of $1,000,000 preference stock and $1,500,000 common stock. The preference stock was issued at a premium of 25 per cent. and pays a dividend of 7 per cent., which with the premium added to the cost yields approximately a 6 per cent. return. It is proposed to cancel the existing preference stock and to issue $300,000 new 12 per cent. preference stock at a premium of 100 per cent. which will yield a return of 6 per cent. or approximately the same yield as the present preference stock. It is also proposed to reduce the present common stock to $600,000 and to issue $500,000 new common stock at a premium of 50 per cent. The result of these proposals, if carried out, will be to very materially strengthen the balance sheet of the company.

Earl F. Colborn, of the Connecticut Mutual Life Insurance Co., Rochester, N. Y., will speak on "Personal Efficiency" at the January 21 meeting of the Life Underwriters' Association of Toronto.

Give Group Insurance

Belding-Corticelli gave a group insurance policy to their employees as a Christmas gift. Every employee who had been with the company over a year received a policy of from $350 to $1,500 to remain in force as long as he stayed with the company. The whole cost was borne by the company.

The Great West Life Assurance Co. has secured an additional 10,000 feet of land and will build an extension to their head office building at an early date.

The Story of 1925

The results achieved by The Imperial Life Assurance Company of Canada in 1925 as indicated by the figures given below will be very gratifying to policyholders and others interested in the Company's progress:

	1915	1920	1925
Assurances in force	$48,965,748	$116,201,347	$195,068,289
Assurances Issued	8,064,425	30,585,356	33,217,307
Total Assets	11,591,483	19,310,403	35,047,398
Premium & Interest Income	2,362,886	4,973,802	8,925,057
Policy & Annuity Reserves	9,057,508	16,018,229	29,480,492
Payments to Policyholders	536,407	1,349,867	3,111,364

The millions of dollars of Reserves held by The Imperial Life are calculated on so strong a basis that interest earnings of only 3% are sufficient to maintain them. The difference between this 3% rate and the 6.23% actually earned gives an exceptionally wide margin for policyholders' profits and security.

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Current Events in Banking World

How to Analyze Character as a Basis for Making Loans

One Important Thing to Consider is Not What Individual Will do if He is Prosperous But What He Will do if He Gets Into Difficulty

Character will always be an important factor in relation to the smaller loans of the bank to individuals—as it is in relation to the larger loans also for that matter. In the following article by Frank S. Wettack in the Bankers' Magazine, there will be found an interesting analysis of some of the factors which must be considered in analyzing character as an asset of the borrower or would-be borrower.—J. W. T.

The term "good moral risks" is loosely used in connection with loans. All persons are good moral risks when *they are moderately prosperous. There are no* good moral risks among *the human* family when insolvency and bankruptcy threaten. Self-preservation is one of the strongest impulses in the human heart. Regard for self and family will, when the door opens in a man's business affairs to let in insolvency, cause the "good moral risk" hitherto present to make its escape through the same door. Seldom does a business house become insolvent that in the wind-up is not found to have been gutted by the owners. Only a shell usually remains for the creditors. It takes a considerable period of time for a business to become insolvent, and the strain of a protracted period of adversity breaks the moral risk. Everybody protects his interest as best he can. The owners of the business, being in charge of the assets, do not neglect their own interests, and the creditors are usually left very little. The credit man must keep this unpleasant fact in mind in considering hazardous business risks.

During the present period after the culmination of three years of adverse conditions in most lines of business, and especially in agriculture or in lines dependent largely upon agriculture, one of the hardest problems for the credit man has been presented in cases where the period of adversity has broken down the moral risk.

The marital status of the borrower, especially in unsecured loans, dependent for payment upon the personal qualities of the borrower, should also be considered. The general rule is that a married man is more stable than a man without dependents. The right type of man with the responsibility of a family soon learns the meaning of the word "hustle." His mind is keyed to the future more accurately than his less favored single brother. He is made more cautious, more ambitious and more dependable by his responsibility. He feels the necessity of making good to a far greater extent. Observation will bear this out. Few men begin to save until they are blessed with the responsibility of a household.

The borrower's mode of living, in loans dependent for payment largely upon personal qualities, is also important. If such a borrower is dressing his children to a point where it conflicts with his debt paying power, it may be a decidedly adverse item. If the limit of the borrower's ambition is to own an equity in a large car, or to live in a large house on a lavish scale, out of keeping with his income or assets, such facts are decidedly adverse elements. This system of living apparently is very common in this day. Such individuals usually come to grief. Increased income is quickly devoured by increased wants.

A man with a good salary usually apears to be an attractive credit risk. He usually moves in good social circles, dresses well, and a superficial view indicates prosperity. Yet a salaried man without assets, who is not saving money regularly and consistently out of his salary, is usually to be condemned as a credit risk. This is nearly always the case where the credit is desired for paying indebtedness incurred for current living expenses. A salaried man without assets should provide an emergency fund, not necessarily in a savings account, but in some property upon which he can borrow to meet sickness or periods of unemployment. Usually a loan to a salaried man without assets, to meet debts incurred for living expenses, is hazardous. Every aspect of a man's personal or family life, where a loan is not secured by tangible assets, or by the possession by the borrower of assets sufficient to justify the credit, should have consideration in passing upon the credit risk. Even the type of shoes the baby wears may have a bearing.

What will be the effect of the enormous amount of credit now employed in retail sales of a varied nature? As long as the individual purchaser has such employment that his income is sufficient to meet the instalment payments there is very little immediate effect upon this individual. However, rules affecting the ultimate prosperity of individuals are fixed. The volume of retail credit operations will cause persons neglecting the fundamental rule of providing a reserve fund, to be candidates for the poorhouse when their days of high wages and employment are over.

A salaried man or wage earner who is regularly saving will usually be entitled to a moderate credit, if there exists a proper reason to borrow.

Much of the foregoing has its chief application to unsecured loans dependent upon the borrower's satisfactory personal qualities. The personal qualities enter into all loans, whether large or small, secured or unsecured. An intelligent application of the ruling credit principles to unsecured loans will result in few losses.

To extend credit to a man without security or assets, upon a sound proposition, and to see the borrower's plans successfully mature, is one of the credit man's compensations. To have been the means of young business men succeeding through credit wisely extended is joy to the credit man. To see borrowers come into the ownership of homes through merited credit is an enduring satisfaction to the credit man. So many of a country bank's credit operations are supported by the personal qualities of the borrower, rather than by definite security or assets, that the successful country bank credit man must be expert in selecting loans secured largely by the borrower's character, industry and capacity. To have matched these qualities by proper credit, and to have watched the splendid results, is one of the compensations of bankers.

The connections of the borrower, in a family and business way, are always a legitimate part of the analysis. Favorable connections give the borrower an opportunity to direct business to the bank. Frequently such connections may justify making small loans, where a strict analysis might not disclose the necessary merit. It is more necessary to place emphasis upon not permitting connections to unduly influence the granting of credit.

Much danger lies in loans made solely upon connections. As many losses accrue to banks through this as from any other one channel. Illustrations where connections work to the disadvantage of bankers are frequently found where public officials control large deposits. It is unusual to find a person holding an appointive or elective office whereby he becomes custodian of a large amount of funds, who had attained a marked success in business pursuits. Yet such individuals, through their connections, control large deposits. They frequently seek credit, and the influence of their deposit account is employed to procure loans. Frequently executors, administrators, guardians, county and state officials use the influence of a large deposit account to procure lines of credit which are not supported by the merits of the loans. Such applications for credit present a difficult problem. The bank desires the deposit account. But frequently the connections have a short life. The official fails of re-election. The officer of the corporation is dismissed or dies. The net result is that in many cases the considerations upon which the loan was based, namely, the connection of the borrower, no longer exist.

WHIP FOR MEN WHO ASSAULTED MANAGER

Judge at Edmonton Metes Out Effective Punishment for Hold-Up Men

EDMONTON. — James Gordon and John Lehman both pleaded guilty to assaulting the manager of the Banque Canadienne Nationale at Calder with intent to rob. Gordon squirted liniment from a rubber gun into the eyes of the manager, who was alone at the time, but his outcry brought sounds of help and they fled.

Sentences of six months at hard labor from date of arrest, with whippings of five strokes each in January, February and March, were imposed by Judge Taylor, who said that not only had he to take into account their pleas for leniency, but the effect on others.

"There have been a great deal of bank hold-ups in Canada and thefts of payrolls. While this city has been fortunate, it is my duty to make your sentences a deterrent to others. A few years ago whipping was administered with splendid effect," said the judge.

Due to nervous troubles developing since his brave chase of the hold-up men, Raoul Godbout, the manager, has been granted several months' leave of absence to visit the east and recuperate his health.

Crop Failures Cause Collapse of 40 Banks

COLUMBIA, S. C.—The year established a record so far as the closing of banks in South Carolina was concerned. It was, in the words of State Bank Examiner W. W. Bradley, "the most disastrous" in the history of the bank examiner's department, for during the year 40 banks have closed their doors.

The immediate cause of so many bank failures in the state, Mr. Bradley says, was crop failures. Old frozen loans carried over for several years also played no small part in the closings. So long as small payments could be made or interest met, the paper could be carried as doubtful, but with the failure of crops and consequent inability to make payments on loans as well as on advances made for this year's crop, the paper was found to be worthless, and so many banks were closed.

Only One Bank Branch Opened in December

The Canadian chartered banks report the opening of only one new branch during the month of December and sixteen closed. Following is a list of the branches opened and closed:

Opened

Canadienne Nationale—Arvidam, Que. (sub-agency).

Closed

Commerce—Winnipeg, Main and McDermot.

Canadienne Nationale—Haileybury, Ont., St. Martin, Co. Beauce.

Standard—Toronto, Queen and Jamieson; Burdette, Alta.

Royal—Papineauville, Que.; Fassett, (sub agency); Carruthers, Sask.; Hatton, Sask.; Plumas, Man.; Erickson, Man.; Irvine, Alta.; Tellkwa B.C. (sub.), Winnipeg, Main St.; Salford, Man.

Toronto—Portage la Prairie, Man.

Banks Allowed Increased Discount on Excise Stamps

OTTAWA.—An order-in-council has been passed allowing chartered banks of Canada a discount of 2 per cent. of the total face value of all excise stamps sold to them. Banks have been allowed a discount of 1 per cent. for the sale of these stamps, while other permit-holders have been allowed a commission of 2 per cent. for the same service.

Mr. Boivin stated that, while the remuneration allowed the banks barely covered the wastage, it had been brought to his attention that permit-holders had been purchasing the stamps from revenue offices and selling them in large quantities to branches of chartered banks, retaining for themselves the commission of 1 per cent.

Staff Gossip

A. E. D. Paul, of Vancouver, has joined the Canadian Bank of Commerce staff.—Sentinel, Kamloops.

* * *

W. J. Timlin, of Hamilton, has joined the staff of the Bank of Nova Scotia.—Herald, Bracebridge.

* * *

A. D. Fisher has been transferred from Montreal to the Rock Island, P. Q., branch of the Bank of Commerce.—Standard, Cornwall.

* * *

J. P. McMullen, of Victoria, has joined the staff of the local branch of the Canadian Bank of Commerce.—News, Prince Rupert.

* * *

J. M. Russell, who has been accountant of the Canadian Bank of Commerce here for the past seven years, is being transferred to the Emo branch, where he will act as accountant and will be in charge of the operation of the Barwick and Stratton sub-agencies.—Record, Rainy River.

* * *

J. M. Williamson, the manager of the foreign exchange department in the Canadian Bank of Commerce in Montreal, has been appointed assistant manager of the Hamilton, Ont., branch, and will assume his new duties next week. Mr. Williamson went to Montreal from New York.—Mail and Empire, Toronto.

* * *

Don MacCarthy has left for Charlottetown, P. E. I., having been transferred to that branch of the Bank of Montreal. Mr. McCarthy, who has been for some time past on the staff of the Sydney branch, was very popular with his many friends and was much entertained prior to his departure.—Record, Sydney.

* * *

J. S. McKerchar, accountant at the Brockville branch of the Bank of Toronto, has received notice of his appointment as manager at the branch in Lansdowne, at which place he succeeds F. W. Fitzgerald, who has been transferred to Meaford. Mr. McKerchar's successor in Brockvillle is Mr. Wright of Port Hope.—Standard, Kingston.

* * *

H. Newmarch, for 11 years manager of the Parksville branch of the Bank of Commerce, has been promoted to the managership of the Greenwood branch. G. Brown, of Vancouver, will take over the Parksville office. Mr. Newmarch is well known throughout the district, having served the bank for 21 years and seen service in practically all the branches on the Pacific coast, as well as at Seattle and Portland.—Sun, Vancouver.

* * *

The Royal Bank announces the following staff changes:

C. A. Sneath, of Brandon, who has been transferred to Boissevain as manager, was presented with a club bag by members of the staff. He was also the recipient of a handsome wrist watch, the gift of customers of the bank.

Upon the occasion of his transfer to St. John's, Nfld., branch as accountant, L. W. Ripley, of Charlottetown, was presented by the manager and staff with a club bag.

Before leaving to assume the management of Davidson, Sask., branch, W. Boyton-Coffey, manager at Swift Current, was guest of honor at a dinner given by a number of his friends. Mr. Boyton-Coffey was presented with a club bag.

A. W. Haun and G. L. Waugh, local managers of the Canadian Bank of Commerce, announce that on January 18 the business of their combined offices will be conducted in the building known as the Bank of Hamilton branch, which became the property of the Canadian Bank of Commerce when the banks amalgamated on Jan. 1, 1924. Alterations are being made in the counters to provide wickets for three tellers, two current account ledger-keepers, and two savings bank ledger-keepers.

Messrs. Haun and Waugh will continue in charge of the branch as joint managers. Mr. Haun was the first and only manager of the local branch of the Bank of Hamilton, and conducted its affairs successfully up to the time of its absorption by the Canadian Bank of Commerce two years ago. He is most favorably known locally and throughout the district. Mr. Waugh was formerly manager at Truro, N. S., coming to Dunnville in September, 1924, as joint manager with Mr. Haun. Upon the retirement of Mr. Parkes on May 10 last he assumed the management at the "Commerce Branch," and is by now well known to the customers of both branches.—Gazette, Dunnville.

Growth of Christmas Club Plan in American Banks

From barely $500,000 in 1910 to over $300,000,000 in 1925 tells the story of the growth of the Christmas Club idea in the fifteen years of its existence. The $314,154,800 distributed this year to some 7,000,000 members of the Christmas Clubs by 6,800 banking institutions in the United States is a record achievement for the Christmas Club savings plan, and is an increase of $70,000,000, or 25 per cent. over last year's accomplishment. The increase in participating banks and members is about 17 per cent.

Approximately $60,000,000 of the 1925 total was saved in the metropolitan district of New York. The total for the New England states amounted to $42,060,980, while the State of Massachusetts had a total of $31,940,100. The total for Chicago and vicinity was $23,800,000. The Middle Atlantic states including New York, Pennsylvania and New Jersey had aggregate deposits of $126,722,400.

Weekly Bank Clearings

(In comparison with the same week last year.)

EASTERN CITIES	Jan. 8, 1925	Jan. 7, 1926
Montreal	$172,396,658	$103,377,825
Toronto	125,942,634	101,330,061
Quebec	10,415,035	7,179,918
Ottawa	9,163,477	6,759,434
Hamilton	5,913,104	4,957,138
Halifax	4,524,366	3,225,355
London	3,594,257	3,246,450
St. John	3,080,706	2,709,089
Windsor	2,894,346	3,878,032
Kitchener	1,201,217	1,164,1[illegible]0
Brantford	1,149,394	1,198,500
Peterboro	1,083,749	382,518
Kingston	951,441	881,512
Sherbrooke	932,034	842,549
Moncton	888,035	904,215

WESTERN CITIES	Jan. 8, 1925	Jan. 7, 1926
Winnipeg	$ 62,941,203	$ 56,296,378
Vancouver	18,681,867	16,493,490
Calgary	9,510,247	8,160,403
Regina	6,201,604	5,180,962
Edmonton	4,179,435	6,997,554
Victoria	2,691,220	2,118,008
Saskatoon	2,236,484	2,174,865
Moose Jaw	1,571,212	1,631,384
Fort William	940,350	1,423,436
New Westminster	748,003	662,003
Brandon	730,525	622,688
Lethbridge	589,836	887,658
Prince Albert	434,253	466,664
Medicine Hat	339,926	370,305

A—DO YOU NEED CAPITAL TO expand your business?

WE ORGANIZE, REORGANIZE, incorporate and finance industrial business propositions anywhere in Canada. Expert staff of financial men at your disposal. Stock selling campaigns managed. Bank references.

LOCATORS, INDUSTRIAL FINANCIERS, 331 Bay, Toronto.

THE NORTHERN MEXICO POWER & DEVELOPMENT COMPANY, Limited.

DIVIDEND NOTICE

Notice is hereby given that a dividend of 7%, covering one year's accrued dividends to 1st January, 1926, has been declared on the preference shares of the Company, payable on the 1st day of February, 1926, to shareholders of record at the close of business on the 23rd day of January, 1926.

T. A. SPOOR, Secretary.

Toronto, January 11th, 1926.

Automotive Credit Corp., Limited

Notice to Bondholders

Notice is hereby given that the regular half-yearly interest payment of three and one-quarter per cent. (3¼%) due January 1st, 1926, being at the rate of six and one-half per cent. (6½%) is due and coupons may be presented for payment at the offices of the company, 190 St. James St., Montreal, or 1319 Metropolitan Building, Toronto, on or after that date.

Automotive Credit Corp., Ltd.

F. J. Bashforth, Secretary. Dec. 31, 1925.

CITY OF REGINA SASKATCHEWAN

5% Debentures

$254,360.00

Sealed Tenders endorsed "Tenders for Debentures" will be received in the Office of the City Commissioners, City Hall, Regina, Sask., up to eleven o'clock A.M., Tuesday, January 26th, 1926, for the purchase of the following five per cent. Sinking Fund Debentures:

Purpose	Amount	Term	Dated
Pavement	$178,000.00	15 Yr.	January 1st, 1926
Boulevard	5,300.00	15 Yr.	" " "
Domestic Sewer	9,400.00	30 Yr.	" " "
Concrete Walk	25,700.00	15 Yr.	" " "
Water Main	10,960.00	30 Yr.	" " "
Cenotaph	25,000.00	30 Yr.	October 1st, 1925
	$254,360.00		

Alternative bids are requested:

(1st) On the basis of both principal and interest payable in New York, Montreal, Toronto, Winnipeg or Regina at the holder's option.

(2nd) On the basis of both principal and interest payable in Montreal, Toronto, Winnipeg or Regina in Canadian Currency only.

Tenders may be for the whole or any part of the issue.

The bonds are a direct obligation of the City at large and are issued in Coupon form with interest payable semi-annually and principal at date of maturity.

Provision is made for the registration of principal only.

The right is reserved to reject any or all proposals.

Further information will be furnished upon application.

D. D. ROSS,
City Treasurer.

BRITISH COLUMBIA ELECTRIC RAILWAY

General Expansion and Prosperity of Business—Extension of Systems.

OUTLOOK FOR THE CURRENT YEAR.

The twenty-ninth ordinary general meeting of the members of the British Columbia Electric Railway Company, Ltd., was held on Wednesday, 23rd Dec., at the Great Eastern Hotel, London, E.C., England., Mr. J. Davidson (deputy-chairman) presiding.

The Secretary (Mr. R. W. Bartlett, A.C.A.) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen, as the report and accounts have been in your hands for some time, do you agree to take them as read? (Agreed.) In the absence of Mr. R. M. Horne-Payne, the chairman of the company, I will, with your permission, read his speech to you.

"Ladies and gentlemen: "It is a great pleasure to the directors to meet you this year again with a statement which shows most satisfactory progress in every direction.

"As you will see from the figures given in the report which is in your hands, the increase in every department of the company's business reflects the general expansion and prosperity of the Province of British Columbia during the year under review. Following the previous year, which was also satisfactory, there is a further increase this year of 1,526,841 passengers carried, 23,784,499 k.w.h. of power delivered, 3,794 h.p. in motors connected. 74,836,000 cubic feet of gas sold, and 16,250 tons of freight carried. Since the close of the financial year on 30th June last, still further progress has been reported month by month.

"This expansion of business involves the provision of additional plant in every department, and during the year your enterprise expended over $4,500,000 on capital account, mainly on additions to power-generating plants, transmission systems, rolling stock, and on extensions to the light, power, and gas systems. As I have explained to you on many previous occasions, it has been the policy of your directors to keep every branch of the company's services in a position to meet all the requirements of the communities served, so that no user of these services may have his business retarded through any failure on the part of your company to meet all his requirements. This involves looking some distance ahead and making timely provision for the growth of the demands upon the various services.

Bridge River Power Scheme

"Owing to the rapidly-increasing demand for electricity for power and lighting purposes, we have deemed it wise to acquire the water rights of the Bridge River situated some 130 miles from Vancouver. The thorough examination to which this water power has been subjected shows that it possesses natural features which render it capable of economic development to yield at least 200,000 h.p. of electric power. This, of course, will not be developed in its entirety at once; indeed, much remains to be done both from a legal and an engineering point of view, before construction work can commence, but from our records of the demand for power, particularly during the past few years, we believe it will be necessary to commence the construction of the Bridge River power scheme as soon as the preparatory work referred to has been completed, and I am convinced, as I always have been convinced, that the commanding position of Vancouver on the Pacific Coast of Canada, makes it inevitable that it shall become a very great centre of shipping and industry, absorbing steadily an increasing amount of power.

Altered Form of Accounts

"I want now to say a word upon the altered form in which the accounts are presented. I am sure I am right in anticipating that the altered form will meet with your approval. The directors have felt for some time that, owing to the growth in size and importance of the allied and subsidiary companies, the balance-sheet of the British Columbia Electric Railway Co., Ltd., which is the form of balance-sheet required by the Companies Acts, is insufficient in itself to convey to the shareholders a comprehensive view of the size and importance of the enterprise. Therefore, after considering the matter with the auditors, Messrs. Price, Waterhouse and Co. — a firm who have had the most extensive experience in the accounts of public utility companies throughout the world—it was decided to publish also a consolidated statement of the entire combined enterprise, and this is contained on pages 10 and 11 of the report. It was also decided that this consolidated statement should be stated in dollars (1) because the company's assets and earnings are in British Columbia and are represented by dollars, and (2) because there are already a considerable quantity of the company's securities held by investors in British Columbia, which will tend to increase. It is the policy of your directors, in accordance with established practice of utility companies in Canada and the United States of America, to encourage their own customers to take and retain a financial interest in the concern.

"Following the consolidated statement is a page setting out certain information regarding the company's properties and activities, which it is hoped will convey to the shareholders a better idea of the size and importance of the enterprise. The statement of revenue is contained on page 4 of the report, and is also set out both in the balance-sheet and the consolidated statement on pages 9 and 11. Our one aim in making these alterations is to give you a clearer statement of the company's position and the magnitude of the enterprise, and I am satisfied that you will agree that this result has been achieved.

Reduction in Lighting Rates

"You will see from the report that a reduction in rates charged for commercial light in Vancouver became effective last autumn. I would remind you that reductions in lighting rates were granted in 1918, 1919, 1923, and again in 1924, and that this new reduction in commercial lighting rates is in accordance with the settled policy of the company, which is that reductions shall be granted whenever it is possible to grant the same in fairness to the employes and to the shareholders. So far as the employes are concerned, it may interest you to know that the wages bill of the company last year amounted to $4,013,617. So far as the shareholders are concerned, it has been laid down over and over again by Public Utility Commissions, indeed so often that it has now become axiomatic, that a public utility company is entitled to rates enabling it to earn 8 per cent. on its entire capital. Taking the whole of the capital employed in this enterprise, the return earned is only between 5 per cent. and 6 per cent., and it is only by the most careful and skilful management and operation, and the fact that a large proportion of the capital raised only pays 4¼ per cent., that we are able to recommend to you the payment of final dividends of £2 9s. 3d. per cent: on the preferred ordinary and £4 2s. 6d. per cent. on the deferred ordinary, making total dividends for the year of £6 6s. 9d. per cent. on the preferred ordinary and £8 per cent. on the deferred ordinary.

Appreciation of Staff

"This leads me to my final remarks, viz., that the results before you to-day are due to the able management of your company. It is, indeed, difficult for me to find words with which to express our appreciation of the services rendered to the company by your president, Mr. Kidd, and your vice-president, Mr. Murrin. If I mentioned by name all those whose services are greatly appreciated, I should, indeed, give you a long list, but I cannot sit down without paying a special tribute to Mr. Goward, your vice-president in Victoria, Mr. Adams, your comptroller, Mr. Glover, Mr. Laursen, your solicitor, Mr. Carpenter and Mr. Newell, your extremely able engineers, Mr. Keillor, the manager of your Gas Co., and Mr. Power, the manager of your freight department. The whole staff are as able, loyal and enthusiastic a body of employes as can be found anywhere in the world."

Now, gentlemen, before inviting any discussion on the accounts, I should like to move: "That the balance sheet as at 30th June, 1925, together with the reports of the directors and auditors thereon, be and are hereby received and adopted."

Mr. G. P. Norton seconded the motion, which was carried unanimously.

The Dividends

The Chairman then moved: "That the payment of the following dividends be and are hereby approved: Dividend on the cumulative perpetual preference stock at the rate of 5 per cent. per annum (less income-tax) for the half-year ended 31st December, 1924, on the 15th January, 1925, and for the half-year ended 30th June, 1925, on the 15th July, 1925. Interim dividends on the preferred ordinary and deferred ordinary stocks for the year ended 30th June, 1925, at 3⅞ per cent., free of income-tax, on the 4th June, 1925. Also that dividends be now declared in respect of the year ended 30th June, 1925, as follows: On the preferred ordinary stock at the rate of £2 9s. 3d. per cent. per annum, free of income tax, making a total dividend for the year of £6 6s. 9d. per cent., free of income-tax. On the deferred ordinary stock at the rate of £4 2s. 6d. per cent. per annum, free of income-tax, making a total dividend for the year of £8 per cent., free of income-tax."

Mr. Harold G. Brown seconded the resolution, which was unanimously approved.

Tribute to Mr. Horne-Payne

Mr. G. P. Norton, in proposing the re-election of the retiring directors, Mr. R. M. Horne-Payne and Sir Ernest Harvey, K.B.E., said that it was his honour, when the company was formed, to be associated with the chairman, Mr. Horne-Payne, as one of the original directors of the company, and he had had the opportunity for nearly thirty years of watching the extraordinary and most satisfactory growth, from quite small beginnings, of the undertaking into the most important and successful enterprises, which they, as a company, possessed today. Their chairman was responsible for the starting of the company, and he (the speaker) ventured to say—he believed all would agree with him—that Mr. Horne-Payne had very great reason to be proud of the enterprise which he started thirty years ago. (Hear hear). It was an undertaking which had done an immense amount of work and had given the greatest amount of assistance in the development of one of our great Provinces, British Columbia. Not only had it done good to the municipalities and to the communities living in British Columbia, but it had rendered to them as a body of shareholders, a reasonable and continuously fairly satisfactory return on the money which they had the courage to invest. With regard to his other colleague, Sir Ernest Harvey, he was able to say that no body of directors could have a more genial colleague and nobody could wish for a more able and efficient director. He had much pleasure in moving the re-election of those two gentlemen.

Mr. T. Blundell Brown seconded the resolution, which was unanimously agreed to.

Mr. James H. Mackay proposed the reappointment of Messrs. Price, Waterhouse and Co. as auditors of the company, both in London and British Columbia, for the ensuing year. In doing so, he asked if the directors could report a growing increase in the population of Vancouver.

Sir Charles Davidson seconded the motion, which was passed unanimously.

Thanks to President and Staff

Sir Ernest Harvey proposed a hearty vote of thanks to the president and staff in British Columbia, and remarked that on behalf of Mr. Horne-Payne and himself he desired to thank the shareholders for their re-election. He paid a warm tribute to the work which Mr. Horne-Payne did for the company, and stated that there was no man in England who worked so intelligently, so effectively, and with such wonderful cleverness and clearness of mind, and who, at the same time laboured under such physical disability. He thought they would all recognise that Mr. Kidd, the president, had a most difficult duty to perform as the manager of a public utility company; he had to consider the views of the stockholders and also those of the customers, and he thought everybody would agree that he had been successful in satisfying both parties. So far as the development of the company's area was concerned, he would point out that during the existence of the company the demand for power had doubled itself every eight years, and that was simply symptomatic of the development which went on in every direction in which they served the community.

Mr. T. Blundell Brown seconded the motion, which was carried unanimously.

On the motion of Lord Stopford, seconded by Mr. E. S. West, a hearty vote of thanks was accorded to Mr. Davidson for presiding, and the proceedings terminated.

WATCH BUILDING AND AUTOS FOR BUSINESS TREND

These Industries Are Points on Which Conditions May Turn

By LEONARD P. AYRES,
Vice-President Cleveland Trust Company.

CLEVELAND.—Something of a slowing down of business is inevitable during the next two months. The crops have been marketed. The holiday trade is behind us. Building construction is no longer so highly seasonal an industry as it used to be, but it is still true that there is much less building going on during the winter than in the other seasons of the year. A similar situation exists in the automobile industry. People use their cars nowadays all the year round, and many more cars are sold in the winter months than used to be the case, but nevertheless production, purchases, and use are at a lower ebb in the winter than at other seasons.

In all the northern part of the country highway construction and repair are suspended, and railroad traffic is much reduced during the cold season. Lake traffic is of necessity at a standstill, and coast wise shipping is carried on under difficulties and in reduced volumes. Tourist trade by land and by sea is relatively small.

It used to be true before the establishment of the Federal Reserve System that short-term interest rates normally rose to their highest levels in October, and then declined sharply to early February, when they began to rise again as farmers prepared for the new year, store keepers stocked up for the spring trade, and building operations began to expand.

The seasonal fluctuations in interest rates have nearly disappeared, but the influences that were responsible for them still operate to cause important variations in the volume of business transacted in the different seasons of the year. In the early months of last year there were published many expressions of disappointment over the amount of business being done, and it is entirely probable that the same thing will happen again this year.

It is undoubtedly true that the maintenance of general business activity at anything like current levels during 1926 depends in large measure on the volume of building construction and the prosperity of the automobile industry, but it is also true that the output figures for these two industries in January and February cannot be used as a basis to estimate what they will do during the rest of the year. They both started off rather slowly in 1925, but by the end of the year both had made new high records for all time.

In the years before the war periods of business prosperity were marked by sharp increases in our national equipment for production and distribution. They were times of increase in factory construction, railroad buliding, and the manufacture of new industrial machinery. After the war many students of business economics doubted if we should soon have another period of real prosperity in this country because as they pointed out we were equipped with factory capacity, and it was impossible that there should be much new railroad building, for the existing roads were having a difficult time to earn their running and maintenance expenses.

Apparently it is still true that a period of prosperity cannot be based solely on well balanced production, consumption, and transportation. The stimulus of expansion seems to be an essential. In this period of prosperity that stimulus has been given by the construction of dwellings and automobiles, instead of factories and railroads. In large measure these are additions which contribute to the amenities of life rather than adding to our national equipment of production. It is impossible to do more than conjecture what the effect of this significant innovation will be on the future of our national wellbeing, but it is sure that developments in the construction and automobile industries during 1926 will be of the first importance for this present period.

Too Much Government in Business

Kingston Standard.

President Coolidge has now added his voice to those of Lloyd George, Bonar Law and Meighen, declaring that the less the government interferes with the business of a country the better it is for the country concerned. Lloyd George and Bonar Law spoke from experience in Great Britain, Meighen in Canada, and certainly Coolidge has had quite as much, if not considerably more, experience than any of them along this line, and particularly in the size of the business.

The President declares that business should be unhampered and free, that government regulation and control are disagreeable and expensive, and that business can be trusted to keep its own house in order. He puts the matter so concisely and well that it is worth while to quote his full words as follows:

"When government come unduly under the influence of business the tendency is to develop an administration which closes the door of opportunity; becomes narrow and selfish in its outlook and results in oligarchy. When government enters the field of business with its great resources it has a tendency to extravagance and inefficiency, but, having the power to crush all competitors, likewise closes the door of opportunity and results in monopoly."

It is to be hoped that Canadians will take these words to heart and act upon them, as they are absolutely true. Canada has suffered too much from government interference in business which properly belongs to private enterprise; but this is in great part due to the people rushing off to the government for assistance. What is wanted is more initiative and independence.

Logan is New Manager of Bank of Commerce

With Sir John Aird, president of the Canadian Bank of Commerce, stepping out of the general managership, Sidney H. Logan has been appointed to that position. Since the death of Sir Edmund Walker, Sir John has been carrying the responsibilities of both positions. Mr. Logan has been holding the position of first agent of the bank in New York City.

Sidney Henry Logan is a native of Nova Scotia, born 24th April, 1881, and educated at the Springhill high school. He entered the service of the Halifax Banking Company at Springhill, N.S., on 10th August, 1897, and was with that bank when it was amalgamated with the Canadian Bank of Commerce in 1903. He thus entered the service of the Canadian Bank of Commerce on 1st June, 1903, as tel-

ler at the New Glasgow branch. Immediately after the amalagmation he was moved to Wiarton, Ontario, as accountant. In September, 1905, he was sent to the Cobalt branch, of which he was subsequently (December, 1906), appointed manager. In 1909 he opened branches at Gowganda and other mining centres, afterwards returning to Cobalt, remaining there as manager until August, 1913, when he was moved to St. John's, Newfoundland.

In 1917 he was placed in charge of the foreign business of the bank at head office and for practically three years traveled a great part of the world in the interest of the bank. He visited Australia, New Zealand, China, Japan, South America and continental Europe, and in November, 1923, he was sent to New York as first agent.

Mr. Logan is the third general manager to be chosen from the New York agency, Sir Edmund Walker and Alexander Laird being the other two.

Referring to the new general manager at the annual meeting of the shareholders of the bank this week, Sir Joseph Flavelle, chairman of the board, said:

In each succeeding position in the bank during his twenty-nine years of service the new general manager has done well. He will do well in this position. The board presents his name to the shareholders with confident assurance, while conscious that in making the selection we are undertaking the most responsible duty in our position as directors. We know the staff will learn with deep satisfaction of this appointment, and when Mr. Logan assumes the full responsibilities of his position he will have the loyal support of the five thousand men and women who make up its personnel.

Lamb Vice-President of Bank of Toronto

Appointment of General Manager John R. Lamb as vice-president and director of the Bank of Toronto, was announced at the annual meeting of shareholders this week. In analyzing the business outlook, Mr. Lamb made pointed reference to the uncertain political outlook. He observed that political matters should be avoided, preferably on such occasions as meetings of bank shareholders, but maintained that it was a matter of grave concern, and that every question should be considered and decided from the standpoint of good business, rather than from the standpoint of good politics.

The Foreign Exchanges

Conducted by S. J. ZACKS.

Sterling displayed great strength during the week on buying from Canada, the East, and New York institutions, which have increased their sterling holdings. Both on Tuesday, and Wednesday quotations on sterling closed at 4.86¾, the highest since September 19. The fact that the end of the seasonal pressure on sterling has been reached, is in part responsible for sterling strength. Undoubtedly, England's foreign trade does not warrant such strength at present. The December imports at £134,268,000 are the highest since December, 1920, while the import balance for 1925 is the highest since 1919.

The following table shows the trend of exports and imports for the past five years in Great Britain:

	Imports	Exports	Import Balance
1925	£1,322,951,400	£ 927,496,200	£395,455,200
1924	1,290,457,000	935,501,000	354,956,000
1923	1,098,015,000	875,900,000	222,115,000
1922	1,003,918,100	824,274,200	179,643,900
1921	1,085,500,000	810,318,800	275,181,200
1920	1,932,648,000	1,557,222,500	375,426,300

However, the returns of the board of trades for yarn and cloth exports in December show a slight increase at £15,892,000 against £14,019,000 in November. Likewise, iron and steel export balances shows a slight increase in tonnage for December over November.

The 1925 Japanese foreign trade of 4,800,000,000 yen surpassed the 1919 record and the favorable import balance which approximates the three-year average preceding the earthquake, would indicate that a return to par of the yen is not for distant. The yen to-day is selling at about forty-four cents as opposed to a low .3785 following the earthquake. Needless to say, stabilization must be slow, so that Japan's industry will not greatly suffer. The import surplus for 1925 stands at about 270,000,000 yen as opposed to an import surplus of 644,588,000 yen for 1924, and an import surplus of 536,000,000 for 1923.

Canadian funds were somewhat firmer during the week. There appears to be some uncertainty as to the direction of the movement; it is held in some quarters that a large Canadian banking institution with its reserves at New York, is exercising control over the present fluctuations, and has done much to maintain the present levels. Whether this institution will continue its present activity or not is questionable.

NEW YORK FUNDS

	High	Low	Last year High	Last year Low
Jan. 7	5-32	1-8	11-32	5-16
Jan. 8	3-16	5-32	5-16	9-32
Jan. 9	3-16	3-16	11-32	5-16
Jan. 11	3-16	3-16	11-32	11-32
Jan. 12	7-32	3-16	11-32	5-16
Jan. 13	7-32	13-64	11-32	5-16

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Jan. 7	4.84¾	3.88½	4.03¾
Jan. 8	4.84¾	3.83¾	4.03¾
Jan. 9	4.84¾	3.81¾	4.03¾
Jan. 11	4.85 1/16	3.82¾	4.03¾
Jan. 12	4.85¼	3.75	4.03¾
Jan. 13	4.85¾	3.76¾	4.03½

OTHER EXCHANGES

Par		Close Jan. 6	Close Jan. 13
19.30	Italian	4.04¾	4.05
23.82	German	23.84	23.86
32.45	Brazilian	14.87	14.83
19.30	Belgium	4.54¼	4.55
49.85	Japan	43.67	44.00

Montreal Tramways Company

DIVIDEND NOTICE

Notice is hereby given that a dividend of Two Dollars and fifty cents ($2.50) per share for the quarter ended the 31st December, 1925, has been declared upon the paid-up Capital Stock of the Company, to Shareholders of record on Wednesday, the 20th day of January, 1926, at 4 o'clock p.m., payable on Monday, the 1st day of February, 1926.

By order of the Board.

PATRICK DUBEE,
Secretary-Treasurer.

January 13th, 1926.

This is a Real Service to Investors

Reprinted from the October 23, 1925, issue of The Financial Post.

Brazilian to Go on a 5% Basis?

The Brazilian Traction, Light and Power Company plans to increase its dividend to a 5 per cent. basis, commencing with the next dividend which is payable March 1, 1926. The company at the present time is asking for higher rates for its services in Brazil, but The Financial Post learns from an unimpeachable source close to the management that whether the increase asked for is granted or not, the directorate will, early in the coming year, announce the increased rate, commencing with the March dividend.

This week, the directors announced the increase in dividend which was announced over two and a half months ago by

The Financial Post

Canada's Leading Financial Paper

CHRISTIE, BROWN & Company, Limited

DIVIDEND No. 3.

A quarterly dividend of one and three-quarters per cent. was duly declared on the Preference Stock of this Company, payable February 1st, 1926, to shareholders of record at close of business, January 20th, 1926.

C. E. EDMONDS,
Secretary.

Toronto, Ont., Jan. 11th, 1926.

Manufacturers and Sales Organizations

Capable, active Executive of 40, with experience in general administration, including manufacturing, sales and finance, wishes to make a change. Salary, depending on location, $6,000.00 per annum, but prospects more important than initial remuneration. Replies confidential, or use a box number.

Box 6, Financial Post,
Toronto, Ont.

ARNOLD BROS.

Limited
NOTICE OF DIVIDEND
on
First Preferred
Dividend No. 1

NOTICE is hereby given that a dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum, has been declared, payable February 1st, 1926, to shareholders of record, at the close of business January 15th, 1926.

By order of the Board.

E. B. HUGHSON,
Secretary.

ARNOLD BROS.

Limited
NOTICE OF DIVIDEND
on
Second Preferred
Dividend No. 1

NOTICE is hereby given that a dividend of two per cent. (2%), being at the rate of eight per cent. (8%) per annum, has been declared, payable February 1st, 1926, to shareholders of record, at the close of business January 15th, 1926.

By order of the Board.

E. B. HUGHSON,
Secretary.

Brazilian Traction, Light and Power Company, Limited

(Incorporated under the Laws of Canada)

Notice is hereby given that the Board of Directors of this Company has declared a quarterly dividend of 1¼ per cent. on the issued Ordinary Capital Stock of the Company, payable on 1st March, 1926, to all shareholders of record on the registers, at the close of business on the 30th January, 1926.

Dated at Toronto, Canada, 12th January, 1926.

J. M. SMITH, Secretary.

NOTE.—The Transfer Agents of the Company are National Trust Company, Limited, Toronto and Montreal, Canada. The London Agents of the Company are the Canadian and General Finance Company, Limited, 3 London Wall Buildings, London, E.C. 2.

City of Prince Rupert British Columbia

$89,650.00—5½% DEBENTURES

Sealed tenders addressed to the undersigned and endorsed "Tenders for Debentures," will be received up to 5 P.M., Monday, February 1st, 1926 for the purchase of the following Debentures:

$89,650.00 Consolidated Local Improvement By-Laws, dated December 1st, 1925. Issued on the serial plan, one to ten years, 5½%. Principal and half-yearly interest payable principal cities in Canada and New York, U.S.A.

Bonds may be registered as to principal.

D. J. MATHESON,
City Treasurer.

CANADIAN FOXES FOR U. S.

SUMMERSIDE.—A large ranch being started within thirty miles of Chicago is being entirely stocked with Prince Edward Island foxes. Approximately one hundred foxes have been selected, comprising one of the finest shipments that ever left the island.

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, in Toronto, on Wednesday, 27th January, 1926, at twelve o'clock noon.

By Order of the Board.

C. A. BOGERT,
General Manager.

Toronto, 20th November, 1925.

Town of Bowmanville

Sealed tenders addressed to the undersigned and marked "Tender for Debentures" will be received up to three o'clock Wednesday, January 20th, 1926, for $66,399.04 5% local improvement bonds repayable in twenty equal annual instalments of principal and interest. Any further information desired may be obtained upon application. Legal opinion of E. G. Long, K.C., will be furnished.

H. R. JOLLOW,
Town Treasurer.

SALE OF POPLAR TIMBER

TENDERS WILL BE RECEIVED by the undersigned up to and including the 8th of February, 1926, for the right to cut the Poplar Timber, approximately one-half million cords, on certain areas in Townships within the Districts of Sudbury, Cochrane and Temiskaming, subject amongst other conditions to the manufacture of same into finished products within the Province of Ontario.

FURTHER PARTICULARS may be obtained upon application to the undersigned or Deputy Minister of Lands and Forests.

JAMES LYONS,
Minister of Lands and Forests.

N.B.—No unauthorized publication of this Notice will be paid for.

TORONTO, January 4th, 1926.

FOR SALE

Central King Street Property
Ideal Location for Financial House
Greatest Real Estate Bargain
in Toronto

Full particulars from

PERCY ROBERTSON & CO., 18 Toronto St., TORONTO

Advertising that Spells Profits for the Dealer

MERCHANTS know that the lines that turn over quickest, and that have least sales resistance, are those that are nationally advertised. Such goods do not require to be "pushed" by the dealer because they are well and favorably known everywhere.

The goods advertised in MacLean's—Canada's National Magazine—are "well and favorably known" to every dealer's best customers in every part of Canada.

More and more Canadian merchants are carrying and featuring the quality products advertised in MacLean's, knowing that such lines yield the greatest returns with the least selling effort on their part.

Reaching Every Tenth Home

In every buying centre; in the largest as well as in the smallest cities; in fact, in every city, town and village of 1,000 population and over in Canada—outside of the French-speaking province of Quebec—MacLEAN'S MAGAZINE now reaches an average of better than every tenth home.

Leading All America

Throughout 1924 and 1925 MacLEAN'S MAGAZINE has carried a greater volume of paid advertising than any other monthly or semi-monthly magazine in the general field on the North American continent.

Merchants desiring to make window displays of any of the products advertised in MacLean's will be gladly furnished properly mounted advertisements along with attractive display cards by writing Advertising Department, MacLean's Magazine, Toronto, Ontario.

MACLEAN'S

"CANADA'S NATIONAL MAGAZINE"

THE CANADIAN BANK OF COMMERCE

Address of President Stresses Excellent Harvest, Favorable Trend of Foreign Trade and All Round Improvement in Outlook

Buyer's Market Calls for Co-operation of Labor with Employers to Ensure Return of Permanent Prosperity

The Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held on the 12th inst. at the Head Office of the Bank. The results of the year's business, as shown by the Report submitted by the Directors, were as follows:—

Balance at credit of Profit and Loss Account, brought forward from last year	$1,218,080.42
Net Profits for the year ending 30th November, after providing for all bad and doubtful debts	3,487,213.30
	$4,705,293.72

This has been appropriated as follows:—

Dividends Nos. 152, 153, 154 and 155, at twelve per cent. per annum	$2,400,000.00
Bonus of one per cent., payable 1st December	200,000.00
Dominion and Provincial Government taxes and tax on bank note circulation	500,000.00
Donations and Subscriptions	30,000.00
Transferred to Pension Fund	190,719.49
Written off Bank Premises	150,000.00
Balance carried forward	1,234,574.23
	$4,705,293.72

Sir John Aird, the President and General Manager, after the reading of the Report, addressed the Shareholders as follows:—

The promise of greater activity in general business held out by the closing months of 1924 was not fulfilled during the earlier part of 1925, but during later months, largely no doubt as the result of another good harvest, there have again appeared definite signs of improvement which we hope will be sustained.

At home the year has been one of quietness, unmarked by many events of outstanding importance to the business or financial community. An abundant harvest coinciding with good prices for almost all agricultural products has brought about a return of prosperity to the farmer, and the impetus which this will give to general trade is already beginning to be felt. The rise in the stock markets has been pronounced, but such measures of business activity as car loadings and railway earnings, bank clearings and debits to accounts have shown slight signs of impending change until within the last few months. The conviction steadily grows, however, that a definite turn in the tide has already begun.

Farmers Outlook Improved

Early in the summer the prospects were that a record western wheat crop would be harvested and sold at remunerative prices, but by the time the grain came on the market earlier estimates had to be revised owing to one of the worst harvesting seasons in many years. At one time it seemed as though a third of the crop would have to go unthreshed until the spring. It was rumored that Russia had a substantial surplus of wheat for export, and the prospects in the Argentine were bright. Later it transpired that the damage to the home crop had been exaggerated and the latest estimate of the western wheat crop is that between 400 and 425 million bushels will be the yield. An unusually mild spell followed the inclement weather just referred to, and permitted the completion of the threshing, while the damage to the grain proved to be less serious than was expected. As a result, notwithstanding rumors of large surpluses abroad, prices strengthened rapidly, No. 1 Northern wheat at Fort William rising from $1.20 per bushel on 1st October to $1.50 on 1st December, and to $1.66 on 7th December. Since then prices have fluctuated considerably, but the outlook is that the farmers of the West will realize about $125,000,000 more for their wheat than was expected early in October, and this rapid and dramatic change should have a far-reaching effect on business during the current year.

Abroad the chief events of the year have been the resumption of gold payments by Great Britain, the negotiations for the settlement of international debts, the Locarno conference and its resulting treaties, and the increasing financial distress of France.

Gold Resumption

The announcement of Great Britain's intention to resume gold payments was made on 28th April in the budget speech of the Chancellor of the Exchequer, and concurrently a general licence to export gold was granted to the Bank of England, to serve until the close of the year when the embargo against such exports automatically expired. Wisely, no attempt was made to resume the use of gold for internal currency purposes, but as a safeguard an informal embargo was placed on foreign loans in the London market. A further step of interest to Canada was the removal of this embargo at the beginning of November last, an event which foreshadows the re-opening of the London market for Canadian loans when the process of readjustment has progressed somewhat further. About the same time as Great Britain resumed specie payment similar action was taken by Holland, the Dutch East Indies, South Africa, Australia and New Zealand. Many other European countries also, which have not yet formally resumed specie payment, have been managing their currencies — in some cases on a depreciated international valuation — and securing much of the advantage of the gold standard by maintaining the external value of their currency at a stable relationship to gold. All these events are of great importance to Canada's increasing foreign trade, as the return to specie payment eliminates many of the risks of trading between nations. In August the United States signed an agreement with Belgium for the settlement of her war debt. This was followed by similar agreements with Italy and several of the small eastern European nations. A tentative agreement between France and Great Britain was also reached in August, but later negotiations between France and the United States failed of a successful conclusion.

Foreign Trade Improving

An examination of the figures of Canada's foreign trade for the fiscal year ending in March last shows a slight decrease in total volume, due entirely to a decrease in imports. Exports have again slightly increased, so that the surplus of exports over imports is larger, indeed it has not been surpassed since 1919. Allowing for the change in the level of prices since 1914, there is a decided decrease in the value of imports as compared with the years immediately preceding the outbreak of the war, and a roughly corresponding increase in the value of exports.

The trend of the trade of Canada with her two principal customers, Great Britain and the United States, is interesting. In the case of Great Britain the total for the fiscal year 1924-25 is slightly larger; there is a marked increase in Canada's exports and a slight decrease in her imports, following the same lines as her total foreign trade. In the case of the United States, however, there is a slight decrease all round, most marked in imports into Canada. It thus comes about that the excess of our imports from the United States, $82,778,000, is the smallest in any year since 1906; and this is only about 27 per cent. of the excess of imports in 1920, since which year there has been a continuous decline. Among the principal articles which have built up our exports to the United States in recent years are the following: Lumber, pulp, printing paper and other products of the forests, furs, fish, asbestos, gold, whiskey, farm implements and cream. During the last fiscal year the increase under the heading of gold alone was $11,400,000. Owing to the disappearance of the premium on United States funds, and certain more favorable arrangements made recently by the Department of Finance at Ottawa, it is probable that more of our gold production will be retained at home in future years.

United States Trade Changes

There seems to be a definite change in progress in the character of the foreign trade of the United States. That country is ceasing to be an exporter of food-stuffs, and it is probable that her foreign trade will in the course of a short time rely more upon the export of mining and other natural products and manufactured goods rather than upon agricultural products, and that manufactured goods will gradually assume the first place. This will tend to reduce the question of tariffs to a secondary place, and even now a movement is springing up in the United States to repeal the Fordney-McCumber tariff, at least in so far as the duty on cattle is concerned. The United States market would thus again be opened to Canadian stockers and feeders. This is, of course, not the motive that inspires the movement in the United States. The view there taken is that the present tariff is an injury to the farmers in the corn belt of the United States and of no benefit to cattle ranchers.

Increase in Exports

During the first half of the current fiscal year, or the six months ending with September last, the latest date for which the figures of Canadian trade are at present available, expansion is shown in every class, both of exports and imports, with the exports leading in amount. The excess of exports during this period totals $124,949,000, as compared with $91,496,000 during the corresponding months of 1924. All these figures give definite evidence of quickened activity. A table showing the larger changes in individual items of exports and imports, during both the fiscal year 1924-25 and the six months which followed, accompanies this report, and I shall refer the enquirer after details to that, merely mentioning some of the major trends. Exports of agricultural and animal products naturally reflect the result of the good harvest of 1924 and of improved prices. The increase in exports of dairy products is quite marked, both during the fiscal year and the subsequent six months' period. The dullness in the lumber and in the iron and steel industries is also most marked in the trade figures, but there is distinct evidence of a revival in the lumber industry in the six months' period. Newsprint paper is the only product of the forest to show any marked gain in exports during the fiscal year. The mining industry makes a much better showing than does lumbering, but even here the improvement is irregular. Exports of aluminum, copper, lead, nickel, zinc and gold all show increases for the fiscal year, and most of these increases are maintained in the subsequent six months. Coal shows a notable decrease both in exports and imports, only partly a matter of price. This suggests the query whether through the use of substitutes, such as hydro-electric power, Canada is becoming less dependent upon United States coal. Probably, however, the dullness in manufacturing during the past year is the chief cause of the decrease.

Gold Production Growing

The production of gold in Canada continues to increase, with the Province of Ontario still in the lead. The total for all Canada in the calendar year 1924 was 1,525,380 ounces valued at $31,532,402, of which 1,241,726 ounces valued at $25,668,754 came from Ontario. The production of Ontario for the first eleven months of 1925 was valued at $27,209,970 and that of the whole of Canada for the year is estimated at over $35,000,000. What these figures mean is perhaps best illustrated by comparing them with the amount produced in 1900 when the production of the famous Yukon placer mines was at its height. In that year the gold produced in Canada was valued at $27,908,153. It will thus be seen that the production of Canada in 1924 made a new high record and that the Province of Ontario alone will this year surpass the Yukon in its palmiest days. Since 1922 Canada has held third place in the world's production of gold, being surpassed only by the United States and the Transvaal. It is the only country in the world the output of which is steadily increasing in value. The production of Australasia fell behind that of Canada in 1922 and since that time has shown a steady decrease.

Outlook in United States

The United States has been favored with another bountiful harvest, except in the case of wheat. The cotton crop was the largest in many years and the corn crop was also large, though the price is low. The wheat crop was below the average in quantity, but this is nearly made up for by the price. Cattle prices are also satisfactory and with the tendency to an increase in the price of hogs it is probable that the farmer will be fairly well compensated for the low price of his corn.

A great improvement has taken place in the position of the railways of the United States during the year. The volume of traffic last autumn broke all previous records. Speculation in real estate has been rife in many parts of the country, and there is danger of this being accompanied by over-building.

Expansion of Credit

There was a great expansion of bank credit during 1925, the loans of the banks having surpassed the figures reached at the crest of the inflation in 1920. A large part of this additional credit has been used in the stock market, very little of it having been required to carry on the regular business and industries of the country, as prices of manufactured goods have not risen. The present financial situation is that the banks are lending to the limit of their own resources, and unless additional imports of gold take place, further expansion of loans can only occur through borrowing from the Reserve Banks or by the sale of securities now held. Under existing credit conditions it is unlikely that any considerable resort to the use of Reserve Bank credit would be permitted without a rise in Reserve Bank rates, and there would seem little probability of any heavy selling of securities unless interest rates on loans should rise sufficiently to make the change profitable. The normal season of low rates for sterling, because of the pressure of food exports, is drawing to a close and there are not wanting some signs that the balance of trade in favor of the United States tends to wane, both because of a decrease in exports of food products, and because of an increase in imports. Undoubtedly the United States is still a creditor nation for large sums, but the probability of any considerable volume of gold imports in the near future is lessened by these conditions, and in their absence the outlook would seem to be for firm rates for money.

Buyer's Market

The present generation of business men has been trained in a seller's market and it is probable that for some time to come they will have to face a buyer's market, and undoubtedly many are finding it exceedingly difficult to adapt themselves to the change. The financial consequences of the war are by no means over and the relationship between consuming power and income at the present time is a very delicate one in the case of many. Not only is there a large body of consumers whose incomes have not been adjusted to the present level of prices and are unlikely to become so for some time to come, if ever in their lifetimes, but it is also probable that at no other time in the history of the world have so many nations been forced by circumstances beyond their control to seek the cheapest market in which to buy. To these facts is due the hesitancy of the markets in the years since the war, for it does not take a very large body of mal-adjusted consumers to make business uncertain. The theory of prosperity built up during the seller's market of the past generation is that a rise in prices is necessary to quicken business activity. Undoubtedly this has been true during the years which preceded the advent of the "buyer's strike," but under existing unstable conditions the manufacturer who because of higher costs, or for any other reason, raises the prices of his goods is apt to find his market dwindle away.

Future of Canada's Trade

All this has a very definite bearing on the future of Canada's foreign trade. We appear to have met with a good measure of success during the past year in keeping our costs at such a level that other nations may buy from us. Presumably we shall all agree that it is undesirable to export Canada's natural resources in the form of raw materials for other industries, but if these other industries are to be carried on here successfully, it is necessary that our costs be kept as low, if not lower, than those of similar industries elsewhere.

Costs Must Be Reduced

I should like to refer for a moment to the bearing of these matters on labor disputes. In many cases the country is facing the competition of countries, the inhabitants of which are willing to work longer hours at lower rates of pay, and perhaps to accept lower standards of living. In disputes about wages or other matters labor should remember that it is confronted not by its employers but by inexorable conditions. Costs reduced to rock-bottom, secured through the utmost efficiency of both management and labor, are the only effective solution for much of the present-day dullness and hesitation in business, and it will be well for both sides to face this situation squarely. It is not enough for one side to place the responsibility for an unsatisfactory state of affairs on the other; both must cooperate to the utmost in removing every hindrance if the return of permanent prosperity is desired. I point this out, not in the interests of or as a criticism of any class, but because all classes and conditions of people that go to make up the nation are vitally interested.

The Needs of Canada

In an article on Canada published recently, one of the leading London financial weeklies says: "The future of Canada lies in the development of her vast agricultural and mineral resources. For this purpose she requires capital and immigrants. Only by low taxation and a low cost of living can she hope to attract foreign investors and workers willing to develop the land, and these conditions do not obtain at present." There is an unfortunate amount of truth in this brief statement. As others have pointed out, the days of free land are over, and the railway building has ceased, which from 1900 up till the outbreak of the war enabled immigrants to earn their living while becoming accustomed to their new home. The problem has changed, and its solution is probably to be found in methods similar to those adopted by the Soldier Settlement Board after the close of the war. Be this as it may, the problem is a very real one, and the future of Canada is in no small degree dependent on its successful solution. We have the land, the government equipment, and the railways, which would suffice to serve several times our present population, and it is hard to believe that were the problem attacked in a business-like way a satisfactory, practical solution could not be evolved that would be beneficial to both countries.

New Immigration Policy

Meanwhile steps have been taken by an agreement between the British and Canadian Governments and the transportation companies to offer agriculturists and house workers from the United Kingdom transportation to Canada at greatly reduced rates. Apparently the share of the Canadian government in the plan is largely a matter of caring for the immigrants during the five-year period following their landing. This work is worthy of the best thought and care of the ablest men who can be prevailed on to give their attention to it, and it is to be hoped that it will be placed in good hands. Not only does the future of the individual immigrant largely depend upon it, but it is fraught with momentous possibilities for the future of Canada. It is to be hoped that the visit of a number of Western farmers to Great Britain for the Christmas holidays may prove to be good immigration propaganda. They are presumably successful men, or they would not be going and what they have accomplished others can do.

Income Tax Reduction

Undoubtedly the action of the United States in making successive reductions in its income tax makes the situation even more difficult for Canada. It will be even less easy than in the past to hold such immigrants as Canada does get, and to keep her native-born sons at home in the face of much lighter taxation across the border than Canadians are called upon to pay. We recognize the difficulties by which our government is faced, chief among which is the need of revenue, and there is room for the highest statesmanship to be applied to the problem.

Results of Bank's Business

The statement submitted to you today reflects the uneventfulness of the year through which we have just passed. Profits are $3,487,213 as against $3,424,722 a year ago. We have paid the usual dividends and a bonus of one per cent. Taxes are even higher than a year ago, partly on account of the increase in our capital and in the number of our branches, due to the absorption of the Bank of Hamilton. We have been called on for a number of subscriptions to various funds at home and abroad during the year, and after providing for these and for the usual requirements of the Pension Fund we have written $150,000 off Bank Premises Account, and are carrying forward $1,234,574, a sum slightly larger than a year ago. The increase in the requirements of the Pension Fund is due to our having during the year amalgamated with it the Bank of Hamilton Pension Fund.

Balance Sheet Changes

Our note circulation shows an increase during the year of just over $1,000,000 and our deposits one of $16,758,000 which, however, is chiefly in balances of a more or less temporary character. While we are not borrowing under the Finance Act, and our Bills Payable are lower than a year ago, yet there is a net increase of $15,225,000 in our liabilities to the public. Our holdings of actual cash are somewhat lower than a year ago, but Notes and Cheques and Bank Balances have increased over $10,000,000. There is an increase of $5,729,000 in our holdings of bonds and other negotiable securities and of $14,116,000 in Call Loans abroad, while Call Loans in Canada are down $4,782,000. These changes bear mute witness to the quietude in business generally, and this is emphasized by a decrease of $3,651,000 in Current Loans in Canada and of $4,551,000 in those abroad. The improvement in the West has resulted in some decrease under the heading of Noncurrent Loans, and we look for a further decrease in this item during the coming year. Our Total Assets show a net increase of $15,239,000, and stand now at the largest figures in the history of this Bank. It is customary to mention the relation of cash and bank balances and of so-called quick assets to liabilities to the public, and these percentages are respectively 21.17 per cent., and 55.69 per cent. Under existing money conditions these figures lose some of their interest.

Banking Conditions Change

There is some ground for the view that certain underlying changes are taking place in the field of commercial banking which at the moment tend to lessen the amount of money borrowed from the banks. The policy of merchandising by buying on a hand-to-mouth basis and aiming at a rapid turnover, aided as it has been by a striking improvement in transportation facilities in recent years has been one factor in this. Not only has there been definite improvement in the service afforded by the railways for long hauls, but the use of the motor truck for short hauls has worked in the same direction. Indeed it is more than probable that the loss of revenue occasioned to the railways by this use of the motor truck in a period of slackened business activity has spurred them on to greater efficiency in handling their long-haul business, and that thus indirectly the motor car industry and the large expenditures of governments on highway improvement are bringing about changes which have a definite bearing on bank earnings. The change in the method of handling the western wheat crop has also an influence of the same character. The marketing of the grain is now in part financed by the farmer's own funds. The proceeds of the sale of his grain are disbursed to him by instalments and the partial distribution made in the spring provides him with funds for his seeding operations. The change makes for more orderly financing on the farmer's part, and is in this respect beneficial. Any loss which the banks thus experience will undoubtedly be more than made up to them in the long run by the increased prosperity of their customers.

Staff

There has been a considerable decrease in the numerical strength of the staff of the Bank since a year ago, resulting in a marked reduction in overhead expense. This decrease is due partly to the closing and consolidation of branches, but also to a reduction and simplification of our routine to which special attention has been devoted during the past year. In this and in other ways the staff have responded loyally and cheerfully to all demands made upon them and are worthy of your continued trust and appreciation.

Interesting Anniversary

During the year just completed an interesting anniversary passed unnoticed by all save a few. This was the one hundredth anniversary of the founding of the Halifax Banking Company on 3rd September, 1825, by Enos Collins and his associates, in Halifax. His son, Mr. Brenton Haliburton Collins, J.P., passed away in Tunbridge Wells, England, in November, 1924, less than a year before the century was completed. During all this time, over 99 years, father and son had preserved their connection with the Bank, Mr. B. H. Collins being one of our large shareholders. The Halifax Banking Company, as you will all know, was amalgamated with this Bank in 1903.

New Building

Under our agreement with the owners of the property adjoining this building, acquired for the use of the bank, the enlargement of the head office will require to be commenced this year. Plans have been prepared and are now under consideration by the directors. More adequate facilities for carrying on the work of the head office and the Toronto branch are greatly needed.

Future Outlook

As we look forward into the future the outlook appears to be clearer than a year ago. Gradually, since last mid-summer, signs of improvement have appeared, one by one, hesitating at first, and scarcely recognizable, but gaining strength as the outcome of the harvest became more assured. Nothing could be further from the characteristics of a boom, and it is well that this should be so. During the last few months exports and imports, particularly the former, have increased in volume. There has been a gratifying improvement in railway earnings and the mining industry is showing increasing signs of prosperity. An excellent harvest has been reaped and the outlook for marketing it at remunerative prices is good. The position and prospects of the livestock industry are much improved. With a general reduction of indebtedness, an ample supply of money and increasing activity in many lines, the stage is set for an all-round improvement in business in Canada.

New General Manager

Before proceeding further with the regular business of the meeting I desire to make an announcement in regard to the future management of the bank. Many of you will remember that at the time of the sudden death of Sir Edmund Walker it was deemed advisable that I should assume the dual position of President and General Manager of the Bank until such time as the Board had decided on a successor in the position of General Manager. The Board has for several months given this important matter careful consideration, and they concluded to offer the position to Mr. S. H. Logan, the senior agent of the Bank in New York, which he has accepted and will enter upon his duties almost immediately.

The Chairman of the Board, Sir Joseph Flavelle, followed with a few words of recognition of the part Sir John Aird had played in the upbuilding of the Bank. "Your administration has been marked by fine courage and resource, and you have the satisfaction in knowing that during its course the capital and reserve of the Bank have been increased from $28,000,000 to $40,000,000; the deposits from $194,000,000 to $419,000,000; the total assets of the Bank from $250,000,000 to $525,000,000; and the number of branches from 374 to 550. You have been one of a group of able bankers resident in this city who have played a great part in Canada during this and the last generation—Robert Bethune, H. C. MacLeod, Duncan Coulson, D. R. Wilkie, B. E. Walker, John Aird—all pronounced individualists possessing dominant personality. You have earned in full measure the relief from daily responsibility which you will now enjoy, while as President you will still bring to the advisory councils of the Bank the value of your long experience. You carry, Mr. President, the abundant goodwill of your associates and of the shareholders for the years which will follow.

"Mr. Logan, who was this morning appointed successor to Sir John in the chief administrative position in the Bank, is the third General Manager to be chosen from the Bank's Chief Agents in New York City. The Board presents his name to the shareholders with confident assurance, while conscious that in making the selection we are undertaking the most responsible duty in our position as directors.

"We have to-day carried to completion the plan inaugurated a year ago for strengthening the executive of the Bank. We then appointed three new Assistant General Managers. I wish to pay these officers personal and official tribute for effective work during the year. I know what they have accomplished and the manner of it, for I have been in daily contact with them. I have very great satisfaction in conveying to the shareholders this appreciation of faithful attendance to duty by the Assistant General Managers and their unselfish co-operation in planning for the future administration of the Bank."

Re-election of Directors

The usual resolutions dealing with the appointment of auditors, and the votes of thanks to the Board of Directors and members of the staff were then passed. The retiring Board of Directors was re-elected without change. At a subsequent meeting of the new Board Sir John Aird was re-elected President, the Right Honourable Sir Thomas White, Vice-President, and Sir Joseph Flavelle, Chairman of the Board.

News of the Mines: A Department for Executives and Investors

Conducted by DANIEL E. CUSHING, Mining Editor, The Financial Post.

SMELTERS METAL OUTPUT FOR 1925 WAS UP $9,000,000

Precious and Base Total Slightly Under $30,000,000—Lead and Zinc Jump

Consolidated Smelters estimated base metal production for 1925 was $26,512,100, just $9,000,000 greater than 1924. Adding its precious metal output, the total nearly reaches $30,000,000. Gold was slightly off, with silver a little higher, the total being $9,100,000 greater than 1924.

The prominent place which Smelters occupies in the base metal production of British Columbia is shown by the fact that its estimated base metal output of $26,512,100 compares with a total for the province of $36,411,500. Smelters only produced $266,000 of a $10,109,862 copper output. Of a total lead and zinc production of $28,691,500, Smelters produced $26,246,000.

The great bulk of the increase was due to operation of the new Kimberly plant. This huge concentrator that treats Sullivan mine ore is being increased by the addition of 1,000 tons more capacity. This will make it possible for the huge mill to treat the ore from low grade streaks as they occur. The capacity of the concentrator, when the addition is completed and in use about next August, will be 4,000 tons of ore a day.

The figures showing Smelters estimated output in relation to the provincial total follow:

	Province 1924	Province 1925	Smelters 1924	Smelters 1925
Lead, lbs.—	170,384,481	236,408,000	161,400,000	235,008,000
Copper, lbs.—	64,845,393	71,803,000	1,382,000	1,900,000
Zinc, lbs.	79,130,970	97,722,000	92,198,000	97,222,000

Indications are that Smelters construction outlay is nearing an end. Tremendous outlays have been made out of earnings, involving many millions. The time is now fast approaching when the huge profits being made will go to shareholders in much larger proportion. It is this fact that is undoubtedly responsible for the great activity in the shares. Better days for the shareholders have already been discounted in a large way, but it is very difficult at the present to say just what the position of the stock is in relation to the market. Some say it is too high, others too low.

Laval-Quebec Issue Gets Good Market Reception

Laval Quebec shares which made their appearance on the market this week got a fine reception, particularly in Montreal, where the issue is expected to be a popular one. This company purchased the 1,000 acres owned by Argonaut Gold mines and located in Quebec. Argonaut, it is understood, receives a large block of stock in the new company and will hold them in its treasury. The properties in Quebec include Murray group adjoining Noranda, 1,453 acres near Noranda "Island" group; 600 acres north of Waite Montgomery. Some of these include holdings taken over from Huronian Belt.

The stock opened at 41, moved to 45 on heavy trading and has since eased somewhat.

FLIN FLON RAILWAY TALK

D. A. Hall, Saskatchewan legislator for Cumberland, the most northerly seat in the province, says that reports persist in the north that C. P. R. will build a branch line into Flin Flon copper-zinc property on the Manitoba-Saskatchewan boundary. He also says that there exists a belief in some sections that the New York interests behind the mining venture will build a private line.

MINING STOCK QUOTATIONS

Week Ending January 12

	High for week	Low for week	Close Jan. 12	Close Jan. 5	Sales for week
Apex	3½	3	3½	3	10000
Amulet	1.60	1.43	1.50	1.49	81140
Argonaut	23	17½	21¾	17½	410500
Atlas	1⅞	1⅝	1⅞	1⅞	5000
Baldwin	2¼	2⅛	2¼	2⅜	19500
Barry Holl.	25½	24½	25¼	25	40900
Beatty	1	1	1	..	1000
Beaver	56½	52½	56	54	50368
Bidgood	6½	6	6½	6	14000
Bo'lamaque	7.10	6.65	7.10	..	11230
Chaput H.	8	7½	8	8	2500
Buckingham	2⅞	2¾	2⅞	2¾	7000
Can. Lorrain	81½	74	78½	75	198525
Capitol	39½	36	38	36	121950
Castle Tre.	1.60	1.47	1.57	1.50	127025
Clifton	3	2¾	3	2¾	8500
Coniagas	4.50	4.00	4.15	4.50	2810
Coniar'm	4.20	4.05	4.15	4.05	1040
Col. Kirkland	4	3½	4	3⅞	97000
Cons. Smelters	193½	178½	191½	177¼	38551
Cons. W. Dome	25	21	23¾	20	464200
Crown Res.	22½	19	21½	20	66070
Davidson C.	1½	1½	1½	1½	2500
Dome Mines	17.05	15.95	16.63	16.50	15530
Everett	9	8	9	8½	58500
Goldale	38	36	38	37	58000
Gold Reef	1¾	1	1½	1¾	6000
Hattie	1	¾	¾	½	25500
Hattie, pref.	2¼	2	2¼	2	14500
Hillcrest, pref.	65	65	65	..	15
Hollinger	19.00	17.95	19.00	16.65	10460
Hunton	13	7½	12½	7	275150
Indian	5	5	5	5	4400
Inspiration	7	7	7	..	200
Int. Nickel, com	45⅛	44	44⅛	45⅛	390
Keeley	1.68	1.63	1.64	1.67	14025
Keora	14	13½	13½	14	101350
Kirk. Lake	97	87	96	86	116100
Lakeside	6½	3	5½	3	72000
Lake Shore	9.95	9.70	9.90	9.75	16220
La Rose	37½	37	37	37	2600
Lorrain	8¾	7¾	8¾	7⅞	60000
Lorrain T. L.	1.10	1.05	1.10	..	1100
McKinley	23½	22	22¼	22	43600
McIntyre	24.10	22.75	23.85	22.70	28325
Laval, Que.	44½	40	42½	..	234830
Mining Corp.	3.50	3.40	3.48	3.40	16200
Newray	45	42	42	44	14200
Nipissing	7.50	6.60	6.90	6.70	28415
Night Hawk	10	9¾	9¾	9	10300
Noranda	15.10	14.50	14.90	14.20	18345
Pete Lake	2¾	2⅝	2⅝	..	3000
Porc. Crown	4¾	4½	4¾	4½	9000
Premier Gold	2.24	2.20	2.20	2.19	23700
Preston	8	7	8	8	15800
Teck Hughes	3.19	2.80	3.11	2.81	234151
Thomp. Krist.	3½	2	3	2½	18500
Timiskaming	13	13	13	13	200
[T]ough Oakes	55	53	53	55	43035
Vic. Silver	5	5	5	5	1500
[Vi]pond Cons.	1.75	1.68	1.68	1.57	150385
[W]est Tree	3	2¾	2¾	2¾	5000
[W]ettlaufer	5¼	4	4	5¼	4700
Wright Har.	8.00	7.80	8.00	7.90	8700
Vickers	13½	13¼	13¼	13¼	16000

Nipissing Unloaded Its Teck-Hughes at 5 Cents

A block of 300,000 shares of Teck-Hughes, at the present market price is worth $945,000.

Nipissing sold a block of 300,000 Teck-Hughes for $15,000, five cents a share. President C. Denison of Teck-Hughes was the purchaser.

Nipissing had Teck-Hughes under option and did some work on the property. For this work, stock was taken up and later the option was abandoned. Some time later Toronto interests sent a feeler to the late R. B. Watson, Nipissing general manager, to see what the stock could be secured at. The offer was five cents.

Mr. Watson's answer was to ship the certificates, which he had at Cobalt, to Toronto by express.

This week Teck-Hughes shares go ex-dividend for the first time. After years of battling, the proposition has arrived at the long-sought goal—earnings and distributing profits to its owners.

Teck-Hughes stock, selling above $3, spells financial success to many, who as a result of holding on and playing the mine and not the market, are now financially independent.

TECK-HUGHES OPENS REAL RICH SHOOTS

Keen Market Interest in Shares Carries Them to New High

Two factors served to make for keen market interest in Teck-Hughes during the past week and carried the shares to a new high of $3.19. On Saturday the stock will be ex-dividend and at the same time it is announced that splendid results are being achieved on the property. Developments on the new levels, 12, 13 and 14, have opened up a much richer grade of ore than has been mined, although the millheads have been comparing favorably with the high average of Lake Shore. The company is reported to have ordered new hoisting equipment and when this is installed the shaft will be carried to 2,270 feet and six new levels opened up.

In development work on the active levels, the rich shoots being cut into are not only showing an added width but also opening up for exceptional lengths. The south vein on level 13 is said to be showing 360 feet of high grade.

Plans have been made to carry on a deep diamond drilling campaign.

Keeley, Vipond, Canadian Lorrain All Look Well

Progress reports of Huronian Belt companies for December are very satisfactory.

Canadian Lorrain.—The ore shoot on No. 17 vein has been followed by a raise to a vertical height of 80 ft. above the 350 ft. level. Developments elsewhere are promising.

Keeley.—Production, 124,814 ounces of silver, 13,551 pounds of cobalt. There were no outstanding new developments. The winze on the No. 16-28 vein system was continued to a depth of 92 ft. below the tenth level. A station has been cut 80 ft. below the tenth level and cross-cutting to the vein will shortly commence.

Vipond.—Production, $46,000 from 5,356 tons of ore milled. Development continued throughout the month on the ore bodies recently discovered in the No. 5-8 system at the 200-ft., 300-ft., and 500-ft. levels, and in the northern extension of the central system at the 600 ft. level with excellent results. The limits of the ore bodies have not yet been reached.

STANDARD EXCHANGE OFFICERS

Fred. J. Crawford is new president of Standard Mining Exchange. Norman C. Urquhart, 1924 secretary is vice-president, both by acclamation. F. McLorsch is second vice. Draper Dobie secretary and Malcolm Stobie, A. L. Hudson, L. J. West, Homer L. Gibson and John S. Eastwood directors.

Where Will Mining Stock Prices Be Six Months From Today?

EVERYTHING points to a general appreciation in the values of mining shares during the new year. Are you going to participate in the profits accruing from this bull market?

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LEBEL TP., KIRKLAND LAKE, ATTRACTING MUCH ATTENTION

Big Companies May Mine Under Gull Lake—Kirk Gold Diamond Drilling

The attention which has been focused on the eastern section of the Kirkland Lake gold camp, as the result of developments on the Tough-Oakes-Burnside and other properties to the east, may result in an effort being made to mine under Gull Lake. It is reported that a couple of large operators are now negotiating for property in that section. The operators would be gambling on the question as to whether or not the main break of the Kirkland Lake camp strikes due east from the Tough Oakes, or to the middle of the lake. Many eminent northern engineers believe that this is the case.

It is understood that the directors of the Queen La Belle have provided sufficient funds to carry on another couple of months' operations. This property has been brought to a very interesting stage because of recent work done on the 300-ft. level. They are working on the assumption that the break of the camp runs through the lake and across their property.

The Lucky Tiger Co. has already started diamond drilling on the Pawnee Kirkland in La Belle Township.

No word has been given out of late as to the progress of the new financing plans of the Bidgood. This is a very interesting property on the east end section of the camp, and many engineers would like to see it resume operations.

Now that the coal inquiry in Nova Scotia is completed, and Judge Phippen, president of the Tough-Oakes-Burnside, can return to Toronto, there should be no delay in the calling of the annual meeting of the Tough-Oakes-Burnside. This has been eagerly awaited.

Kirk Gold has started diamond drilling and will test out the property at depth with a number of holes. The first hole is to be sunk from the end of the crosscut in the north on the 300-ft. level. It is expected to cut the vein somewhere between 600 and 1,000 feet, depending on the dip and a second hole will be put down to cut it close to 1,500 feet.

Rather an interesting condition was encountered in the last work on the 300-ft. level. When the crosscut ran out of the porphyry, it cut a body of greywacke, another very interesting vein and then a body of red porphyry. The intention is to carry operations to deeper levels and the drilling is being done to get geological information for guidance in reaching a decision as to where to sink. The present work is some 800 feet north of the shaft. The company's finances are reported in good shape.

DUNWELL TO JOIN STEADY SHIPPERS

Will Send Out 10 Tons Daily—Build Mill in the Summer

Dunwell mines, Portland Canal area, B.C., is about to become a regular shipper, and plans to send out 10 tons of ore daily.

In order to handle the regular daily production a short double-track tram is now being rushed to completion. It is being built from the portal of No. 3 tunnel to the wagon-road terminal at the portal of No. 4 tunnel and is expected to be ready for operation in a few days.

About 100 tons of ore is already sacked and stored in the workings of No. 3 level pending completion of the tram. While this ore is not of the highest grade, still it is an easy and, therefore, cheaper type for sorting than some of the richest ore and will leave a very nice margin of profit.

The present plan is to ship 10 tons daily throughout the winter and in the meantime proceed with mine development so as to provide an assured tonnage for the proposed mill to be built next summer.

A good start has been made on the raise from No. 4 to No. 3 level and the north drift of No. 3 is being widened and straightened preparatory to further development to the north for the purpose of getting at depth the ore exposures on the Sunbeam claim and intervening ore bodies. This program between No. 3 and the surface and to the north will afford ample ore reserves for years to come without any further depth. Twenty-five men are now employed in two shifts.

Improvements have been made ensure a greater force of water and more power than has heretofore been available. The power plant is giving excellent service since being overhauled.

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News of the Mines

OUTPUT OF BASE METALS IN B.C. IN 1925 AWAY HIGHER

Base Metal Increase Carried Total to Above $60,000,000

Estimate of B. C. mineral production for 1925, made by Provincial Mineralogist J. D. Galloway, is $61,491,600. The increase over 1924 is $12,786,896 or 26.2 per cent.

A $6,165,761 increase in lead, $3,453,297 in zinc and $1,666,992 in copper provided the bulk of the enlarged output, at the same time absorbing nearly a million decrease in gold and silver production.

A hopeful sign is the advance in coal production of close to $2,000,000, the total for the year standing at $11,645,820.

London base metal prices, generally always lower than New York, are used in making estimates. The London price is the recognized world market price, whereas the New York price is an artificial one applicable only to the United States. The estimated lead production of 236,408,000 pounds, if valued at the average New York price for the year, would have a valuation of $21,418,564 or an increase of $2,836,896 as compared with the valuation given in the above production table. The average London price for the year for zinc (December estimated) is slightly higher than the St. Louis price, the difference being approximately a quarter cent a pound. By using the London price for the provincial zinc production, instead of the St. Louis price, an increase of $254,078 is obtained in the valuation.

Copper Prices

The average price of copper on the New York market was 14.08 cents, nearly a cent higher than the average of 13.024 cents, for 1924. During 1925 the price fluctuated considerably, going up to 14¾ cents and then declining. For 1926 the outlook is for a price level of about 14½ cents.

Hon. Mr. Sloan, minister of mines, points out that although the production of placer gold in 1925 was slightly less than 1924, the year was a very active one in placer development and testing of low grade deposits of gravel. An interesting feature of the year's placer mining was the successful operation of the Kafue Development Company's dredge near Barkerville, which made an output of gold valued at $10,000.

As compared with 1924, lode gold shows a decrease of $694,904. This is accounted for by a greatly decreased production from the Rossland mines, which were non-productive during most of the year.

The figures:

	1924	1925
Gold placer	$ 420,750	$ 400,000
Gold Lode	5,120,535	4,425,631
Silver	5,292,184	5,044,703
Lead	12,415,917	18,581,668
Copper	8,442,870	10,109,862
Zinc	4,266,741	7,720,038
	$35,958,997	$46,281,902
Coal	9,697,630	11,645,820
Coke	214,305	563,878
Const. Mat.	2,833,672	3,000,000
	$48,704,604	$61,491,600

The bulk of the increase in lead and zinc output came from the Sullivan Mine of Consolidated Mining and Smelting. Copper increase came from Granby Consolidated at Anyox and Britannia Mining Co. and the opening of Allenby Copper at Princeton. Offsetting these increases, there was a large decrease in copper output from the Rossland mines of the Consolidated Company, which were not producing appreciably during the year.

Coal production figures:

	1924	1925
Coal (Long ton)	1,939,526	2,329,164
Coke "	30,615	80,554

Gold Hill, Financed Recently, to be Listed

Gold Hill Mines recently financed by Toronto interests is to be listed in the unlisted department of Toronto Stock Exchange and Standard Mining Exchange. Excellent results have been achieved by the work done to date on Gold Hill, the shaft being down 400-ft. with considerable lateral work. The operation has had considerable significance for the Boston Creek camp. Other operators became interested in adjoining properties and it is now believed that the main fracture, on which Gold Hill has been working, has been traced on that property and adjoining properties for a distance of a mile and a quarter. Development work on the Thorburn Vet, across the Blanche River from Gold Hill, has picked up the vein and this has been followed through other claims, with free gold showings at regular intervals.

As a result of new financing arrangements the company is to secure $580,000 which will open up the mine and provide funds for a mill.

New Activities Launched in Michipocoten District

Activity in Goudreau mining area, Michipocoten district, is increasing. McCarthy-Webb Co., has let a contract for 1,000-ft. of diamond drilling. This follows an extensive campaign of surface work, and new veins have been uncovered. A small shaft is being put down on a contact vein and an 8 in. shoot of high grade has opened up to 3-ft. and runs over $400.

Laccolith Mining Co. has shipped a mining plant and diamond drill into Wawa. The company, said to be backed by Tonopah people, has an interesting looking property near Michipocoten Mission.

STAKING IN MANITOBA

Increase in mining interest in Manitoba is shown by the fact that 765 claims were staked in 1925 as compared with 519 the year previous.

Million Involved in Mine Options in Greenwood Area

GRAND FORKS, B. C.—More than a million dollars is involved in the dozen or more deals for mining properties in the Grand Forks-Greenwood district, where development work is being rushed under bonds and options negotiated within recent months. More properties started shipping in 1925 than for a dozen years, the value of the output for the year was greater than any like period for a decade; more mineral claims have been recorded in the past twelve months than in the previous five years combined, and altogether there is a tone of optimism in mining circles such as has not been seen locally for a score of years.

There is a distinct promise of a return of the active mining days of a quarter century ago, when a very large number of smaller properties were operating, and which later gave place to the activities of big mining concerns and the mining only of large low-grade tonnages.

RAND MINES MAKE INROADS ON COSTS

Efficient Methods and Equipment Resulting in Greater Tonnage Being Handled

Rand mines are making great efforts to reduce costs. In 1924 experiment work resulted in a saving of 1.6 per cent. At the same time while wages moved up six cents per ton milled, due to a large amount of footage accomplished which showed a 20 per cent. increase, while the tonnage mined was up five per cent. The increased efficiency is attributed to efficiency in the use of a heavier type of jackhammer; to improvements in the sharpening and treatment of drill steel, and to the extended use of hole-directors. The average cost of producing an ounce of gold in 1924 was 62s. 11d., against 61s. 7d. in 1923. As costs decrease, ore of lower grade becomes payable.

The use of jackhammers has enormously increased—in 1923, from 1,594 to 2,047, while the number of reciprocating machines decreased from 796 to 285. In 1924 the jackhammers employed increased from 2,047 to 2,478, and figures in relation to fathomage are equally encouraging. Economy in labor is evidenced by this, that the tonnage milled was approximately two per cent. more; that nine per cent. more of fathomage was broken, and 21 per cent. more development work was done—all this despite the fact that the labor force averaged 763 fewer natives than in 1923. The percentage of stoping done by jackhammers rose in the period from 45 per cent. to 85 per cent.

Wright-Hargreaves Gross 1925 Near $2,000,000

Wright-Hargreaves gold production in 1925 fell slightly under $2,000,000. The increase over 1924 amounted to almost 50 per cent., the total for that year being $1,094,462.

In the second month of the year the company got its enlarged mill going to treat around 400 tons daily. In September a piece of hard luck was encountered, tying up operations for 22 days or the $2,000,000 mark would likely have been passed. This year this mark should be left well behind. No. 2, the north vein, which opened out for 1,200 feet of high grade on the 1,000-ft. level is now opened for the same distance on the 1,125 and is being opened on the 1,250.

HEAVY TRADING IN THE MINING STOCKS

Hollinger Sells up to 19, a New High — Teck-Hughes Better

Heavy trading has featured the mining market during the week. Teck-Hughes reached a high of $3.19 while Hollinger scored a new high of $19. Dome and McIntyre were slightly easier, as was also Vipond and Consolidated West Dome, though each showed evidences of accumulation. Coniaurum and Goldale shares are showing new strength. It is expected that a progress report will be forthcoming soon.

Kirkland Lake Gold shows steady strength while Lake Shore and Wright Hargreaves are in steady demand, the latter at rising prices. Tough Oakes has been a little weaker, but this is thought to be momentary. Argonaut strengthened somewhat on the appearance of Laval Quebec shares. The latter got an excellent market reception.

Castle might be said to be "rearing-to-go." Good news is expected soon in regard the power extension. Everett is still being accumulated. The Cobalt and Lorrain stocks are about the same. Mining Corporation is popular, moving up to $3.50.

Labor Situation in Ontario Mines Ideal

Ontario mining camps entered the new year with an ideal labor situation. Unions are inactive and barely existing, while the generally prosperous condition of all the Ontario camps compared with other camps, has resulted in a surplus of men in practically all departments. Wages in the gold and nickel mines are: Machine runners and timbermen, $4.80 for eight hours; machine helpers, trammers, and muckers, $4.24; surface labor, $3.76; hoistmen, $5.04; blacksmiths and steel sharpeners, $4.96 to $6.

The contract system is being used more extensively, and at one large mine this has resulted in average earnings of over $5 a shift. Wages in Cobalt are about 25c. a shift less than the scale given above. The sliding scale of wages was used only in the silver mines during the high price of silver and has been abandoned.

In the nickel mines automatic magnetic picking belts are now used, giving increased efficiency and reduced costs. The McIntyre is framing all shaft timber by machine. Mechanical muckers are being used to a greater extent in the larger mines.

Prospecting Syndicates For Red Lake Organize

Dome mines are reported to have optioned Red Lake Syndicate's group adjoining McIntyre holdings for $400,000. Three parties, Howie Red Lake, McIntyre and Dome are going into the area this week.

Numerous prospecting syndicates are being organized to go into the area and stake. This will mean snow staking and necessitate a trip back in the spring to see what was taken up.

PENLEY SILVER TO SINK

Penley Silver has placed a contract for a 60-ft. shaft on its property south and east of the Nipissing operation in South Lorrain. The work is to be done on a vein showing native silver and which is in the diabase just about 100-ft. above the Keewatin contact.

Ore receipts at the Trail Smelter of the Consolidated Mining and Smelting Co. for the last week of December amounted to 13,716 tons, and for the year 417,300 tons.

Building Permits for 1925 Show Considerable Decline

Moderate improvement in building as indicated by permits issued, is shown by the returns to The Financial Post from Canadian cities for December. However, for the year there is a considerable decline in total volume. This refers to the cities in Eastern Canada in particular where the decline was about $10,000,000, while in the West there was an increase shown of more than $3,000,000. Following are comparative figures for the month and year:

BUILDING PERMITS ISSUED IN DECEMBER

EASTERN CITIES

	December 1925	December 1924	Change	12 months 1925	12 months 1924	Change
Maritimes—						
Halifax	$ 24,995	$ 7,175+	$ 17,820	$ 1,035,645	$ 731,209+	$ 304,436
St. John	4,500	2,500+	2,000	683,530	1,133,265—	449,735
Sydney	10,560	1,750+	8,810	43,907	151,907—	108,000
Quebec—						
Montreal	2,021,000	1,612,387+	408,613	25,520,523	31,013,419—	5,492,896
Outremont	165,200	57,800+	107,400	2,772,200	3,308,800—	536,600
Sherbrooke	69,300	3,000+	66,300	1,037,110	524,925+	512,185
Westmount	48,312	53,150—	4,838	2,904,525	2,381,606+	522,919
Ontario—						
Border Cities	261,325	299,434—	38,109	2,081,619	8,222,224—	140,605
Belleville	31,200	37,000—	5,800	194,725	195,000—	275
Brantford	10,360	6,515+	3,845	159,537	189,980—	30,443
Chatham	38,700	30,000+	8,700	193,858	355,329—	161,471
Fort William	28,350	50,350—	22,000	703,340	1,272,570—	569,230
Galt	4,818	181+	4,637	108,723	124,742—	16,019
Guelph	8,505	3,445+	5,060	426,641	404,304+	22,337
Hamilton	110,150	164,800—	54,650	2,673,830	3,309,800—	635,970
Kingston	116,250	10,800+	105,450	493,758	1,035,620—	541,862
Kitchener	106,000	81,220+	24,780	1,546,182	1,211,122+	335,060
Niagara Falls	42,375	98,200—	55,825	1,114,290	802,622+	311,668
Oshawa	4,735	28,550—	23,815	576,205	786,985—	210,780
Ottawa	61,100	59,650+	1,450	4,636,829	2,538,764+	2,098,055
Peterboro	6,725	15,750—	9,025	272,637	437,510—	164,873
Port Arthur	2,611	4,602—	1,991	402,488	1,187,307—	784,819
Sarnia	74,445	51,725+	22,720	725,698	840,803—	115,105
Sault Ste. Marie	1,275	16,375—	15,100	352,090	559,245—	207,155
St. Catharines	17,205	21,250—	4,045	660,962	713,639—	52,677
St. Thomas	1,075	5,000—	3,925	350,181	164,026+	186,155
Stratford	560	5,310—	4,750	407,731	641,854—	234,123
Toronto	2,495,628	2,383,260+	112,368	25,797,196	23,926,028+	1,871,168
Welland	7,635	6,000+	1,635	124,320	178,880—	54,560
Woodstock	.....	1,104—	1,104	86,050	237,668—	151,618
York Twp.	277,400	227,650+	49,750	4,380,500	3,911,100+	469,400
Total 31 E. cities	$6,052,294	$5,345,933+	$706,361	$82,466,830	$92,492,263—	$10,025,433
WESTERN CITIES						
Manitoba—						
St. Boniface	7,700	12,840—	5,140	972,559	418,377+	554.182
Winnipeg	64,800	48,400+	16,400	4,156,690	3,177,900+	978,790
Alberta—						
Calgary	32,070	23,775+	8,295	1,197,475	1,030,795+	166,680
Edmonton	5,435	22,815—	17,380	1,482,080	2,305,005—	822,915
Lethbridge	5,945	4,840+	1,105	161,190	175,086—	13.896
Medicine Hat	200	.......+	200	21,760	132,867—	111,107
Saskatchewan—						
Moose Jaw	2,060	4,420—	2,360	243,535	501,126—	257,591
Regina	67,000	9,325+	57,675	1,208,403	939,785+	268,618
Saskatoon	50,595	8,375+	42,220	1,079,442	1,282,276—	207,834
Yorkton	300	125+	175	38,387	60,360—	21,973
Prince Albert	Nil	475—	475	25,440	147,336—	121,896
British Columbia—						
New Westminster	30,905	28,880+	2,025	704,263	321,432+	382,831
Point Grey	148,900	132,700+	16,200	5,080,000	4,251,300+	828,700
Vancouver	429,452	166,395+	263,057	7,963,575	6,230,774+	1,732,801
Victoria	26,918	2,195+	24,723	548,167	838,401—	290,234
Nanaimo	3,286	6,000—	2.714	212,591	94,405+	118,186
Total 16 W. Cities	$ 875,566	$ 471,560+	$ 404,006	$25,095,567	$21,907,225+	$ 3,188,342
Gr. Total 47 Cities	$ 6,927,860	$ 5,817,493+	$ 1,110,367	$107,562,397	$114,399,488—	$ 6,837,091

M.D. Heads Life Branch of Big Insurance Firm

(Continued from page 14)

are worthy of a determined sales effort. They are not always big men; men of the type approached by the million dollar agents in insurance; men who add a few hundred thousands of insurance every time they handle a new proposition. Usually, Campbell's prospective clients are young business men who are heading for success; men who are demonstrating some particular ability to achieve successful constructive effort in their chosen field of work. Junior executives, they will often be, who are able to maintain good living standards today, who are busy building estates but who are by the same token usually too busy to give the time to their personal financial affairs, that would be required to put their estates in shape to give the best results. Men from 35 to 50, they will usually be.

Puts His Estate in Shape

When Campbell has found his prospect, then comes the next task of arousing his interest and winning his confidence. Campbell offers to help him do that thing that he has not found time to do; to put his estate in shape to produce the best results.

He does not undertake to make a will for a man. There are lawyers and trust companies who can do that job better. But he does know from experience that he can make practical suggestions as to things that can be done and ought to be done.

Moreover he knows from experience that he can take practically any estate and make suggestions that will save much time and money for the man and his heirs. He says so.

Perhaps the prospect will say "I'm sorry, Doctor Campbell. I know I ought to go into this with you but I'm too busy. I just haven't the time." Campbell will counter, "I know you're busy. That's why I'm here. You are so busy building that you haven't time to think of conserving." Or he will say, as he said to one big business man recently. "Yes, you're busy. But is your time worth $20,000 an afternoon? Because I'm sure I can show you how you can save that much or more for your estate if you'll give me a chance to do it." What business man would resist a plea like that?

Prepares Memo on Will

When he gets a man's confidence, gets a copy of his will—if the prospect can find it—gets a brief outline of what he has and what he wants done with it, Campbell starts his study. Then he prepares a memorandum outlining his suggestions. If insurance is required that is in the memorandum. He does not try to usurp the functons of the lawyer but gets the prospect's lawyer to sit in on the conference with the client, when the memorandum is laid before him. In this way, he assures himself of the goodwill and support of the lawyer. He insists too that a trust company shall be named as executor under the will.

"The average man going to a lawyer or trust company to have his will drawn does not know what he wants. I help him to make up his mind and the trust company and the lawyer appreciate that."

Perhaps, we might take a typical case that Dr. Campbell has worked on; see how he handled the client's affairs and how he got some good business for himself out of giving an earnest and worthwhile service to his client. The case is given exactly as it was worked out with the exception of such revealing details as might disclose the identity of the client. Of course, the case is told only as typical of his way of working. As a doctor, Campbell prescribes for each case individually.

Thought His Affairs in Shape

This client, a young business man with substantial means, thought that his affairs were in good shape. As a matter of fact there was no assurance that his wishes would be carried out in the event of his death. In the manner in which he had had his estate arranged, his wife would have had a considerable burden of administration thrust upon her at his death; the estate would have been dissipated fairly quickly and double succession duties would have had to be paid within a few years of the business man's death. When Campbell got through, all of these things had been obviated.

First of all, he drew up a schedule showing the amount of the estate, and the amount of cash and invested assets that would remain after paying immediate expenses and liquidating debts.

He then recommended to the client that his will should be drawn to provide more specific information as to his wishes on a number of points: First, to divide up the capital and revenue among his family in the event of all surviving him; to determine just how capital and revenue should be divided in event of the death of the widow; in the event of her re-marriage; in the event of some of the children predeceasing the mother; on a number of important but often overlooked points of this nature.

Saving on Estate Taxes

He pointed out that succession duties would be paid on the estate when it passed to the widow and again when it passed from her to the children and other heirs. He recommended to avoid this that the estate should be administered as a trust fund with a life interest in the revenue therefrom to be paid to the wife.

"In this case tax would be payable on the commuted value of revenue, based on the legatee's age at inheritance instead of on the corpus or total of the fund set aside."

Then, to prevent the duties being charged against the revenue from the trust fund he recommended that all winding-up charges, funeral expenses and succession duties, be paid out of the capital of estate.

Then to reduce the duty on bequests to other members of the family on their mother's death, Dr. Campbell recommended that all succession duties be paid out of estate. The recommendations were, of course, all specific as to details.

Finally the Insurance End

Certain recommendations were made regarding insurance. For instance, it was discovered that some insurance policies that the business man held and which he considered to be protection for his wife and family had been hypothecated at the bank against business loans. In other words the proceeds of the policies would not go to protect the wife and family directly at all. As soon as this was pointed out, additional insurance was placed to protect the loans at the bank and the policies that had been deposited were withdrawn and put where they belonged, with the will. Dr. Campbell made recommendations, too, regarding policies to cover the succession duties, etc. He made the client see that each insurance policy had to be bought for a specific purpose and when the existing policies were each allocated to some specific job, the other insurance needs became apparent.

Obviously, such a service requires considerable specialized knowledge and good judgment in the matter of succession duties and estate management. Dr. Campbell has gotten this for himself by personal study.

"I study estates because I feel that I have not done my full duty by a client in selling him insurance. I have to assure myself and assure him that the insurance and other assets will function properly.

"Records prove that insurance left in a bulk sum with definite allocation to particular purposes is gone, on the average, within six years.

Work Not Altrustic

"Insurance fills the gaps in the estate. It is not altogether altruistic in me to help put a man's affairs in order. When I have analyzed his affairs for him, he sees why and where he needs insurance. I tell a client in advance, that after I have drawn up my schedule he will see where he needs insurance and that I will not insult his intelligence by trying to sell him insurance if he does not think he needs it."

"Usually I am able to get business from people I serve but even if I find that a man is physically incapable of taking a policy I do not withdraw. The work has to have broad motives.

"I approached one man recently who had just taken on $60,000 of new insurance. He thought he had all he needed. Certainly, it looked as though he was not a prospect for more business. But he bought it when I showed him where he could use it."

Graduated as a Doctor

How did Dr. Campbell happen to get into the insurance business? He graduated in medicine at Toronto in 1910 and began practising in a general way at Napanee. He planned to be a specialist but when the war broke out he joined the Canadian Army Medical Corps and deferred his hopes. After his service as senior medical officer at the Engineers Depot, at St. Johns, P. Q., during the war he studied shell shock cases in Toronto. His work brought him into contact with insurance companies on many occasions and, time after time, he had brought home to him the fine service for humanity that was being performed by the institution of life insurance. On occasion he even thought of insurance as a possible field for service for himself but made no active attempt to enter the business.

After a few years of post-war medical service with army and hospital organizations, he became an insurance man quite by accident. He went to the Canada Life Assurance Company's office in Toronto to buy an insurance policy. T. F. Norton, the district manager in Toronto of that company, suggested that he should do more than buy insurance; he ought to sell it. Dr. Campbell agreed and joined the field force of the company. As we have seen, he was exceptionally successful selling it. Now he is buying it for the clients of his firm.

He has been successful because he has been sincere; because he has given his profession careful study and its problems close analysis. Chiefly though I think be has succeeded because he has been a specialist; he has specialised in a particular type of insurance service until he has mastered it thoroughly. Now he is clipping the coupons of his investment of time and thought.

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